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NEWS CLIPS

September 25, 2009

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September 19, 2009

August Joblessness Hit 10% in 14 States and D.C.

By [CATHERINE RAMPELL](#)

In 14 states and the District of Columbia at least a tenth of the work force was unemployed in August, according to a [Bureau of Labor Statistics report](#) released Friday.

Even as some economic indicators in housing and elsewhere showed signs of improvement, jobless rates declined in 16 states from July to August. In every other state the portion of workers who could not find jobs stagnated or, in most places, grew. Compared with the same time last year, unemployment rates increased in every state and the District of Columbia, fueling expectations that the many government efforts to tame the [recession](#) will not prevent a jobless recovery.

“We’re not really seeing recovery anywhere yet, and it’ll still be awhile before we see much of a difference,” said Dean Baker, co-director of the Center for Economic and Policy Research.

The regions that have been hit hardest — primarily those with once-bustling construction and manufacturing industries — continue to suffer, Mr. Baker said. “The only positive news, probably going into next year, will be slower rates of decline, not job additions.”

Michigan continued to have the country’s highest jobless rate, at a seasonally adjusted 15.2 percent, compared with a national rate of 9.7 percent. In the Detroit metropolitan area, the rate reached 17.3 percent.

Nevada and Rhode Island followed Michigan, with unemployment rates of 13.2 percent and 12.8 percent, respectively. The rates in Nevada, Rhode Island and California — where unemployment [reached 12.2 percent](#) — were the highest on record for those states.

Generally, Western states had the weakest job markets, with Plains-state labor forces relatively more resilient. North Dakota, South Dakota and Nebraska all registered jobless rates of 5 percent or lower. Compared with places like California, unemployment has barely budged in these states over the last year.

Nonfarm payroll jobs — calculated from a different government survey — declined in 42 states and the District of Columbia. Texas lost the most jobs from July to August of this year, with a net loss of 62,200 positions. It was followed by Michigan and Georgia.

North Carolina, Montana and West Virginia registered the biggest month-over-month

increases in nonfarm payrolls. Economists caution that because such monthly state payroll measures can be volatile, these increases may not indicate a turnaround. New York did not have a statistically significant change in payroll employment from July to August, but over the last year the state had lost 188,400 jobs. The state's unemployment rate was 9 percent in August, up from 8.6 percent in July, and unemployment in New York City alone [reached 10.3 percent](#) in August, from 9.5 percent in July.

AFL-CIO aims to bring young people into unions

Sunday, September 20, 2009

By Ann Belser, Pittsburgh Post-Gazette

Lake Fong/Post-Gazette

AFL-CIO delegates cheer for President Barack Obama at the AFL-CIO convention at the David L. Lawrence Convention Center.

They came to Pittsburgh, heard a host of speeches, elected new officers and passed a raft of resolutions. But did the AFL-CIO convention really accomplish anything?

William Samuel, the director of government affairs for the AFL-CIO, said resolutions passed by the delegates every four years at the national convention lay down the federation's priorities.

While one huge goal is reaching out to young, potential union members, the delegates also waved signs in support of the Employee Free Choice Act and universal health care, and passed resolutions in favor of growing a "green economy," pushing the Federal Aviation Administration to enhance the minimum safety standards for helicopters and repealing U.S. travel restrictions to Cuba. They also called for high-quality public education.

The delegates also voted to increase diversity in their ranks -- including people who identify as gay, lesbian, bisexual or transgendered and people with disabilities. On the first day of the convention, Cecil Roberts, president of the United Mine Workers and head of the credentials committee, reported 46 percent of the delegates were women or people of color.

But as nice as that statistic was, there also was a very real sense in the room of the aging of the labor movement. A vast majority of the people in the convention center either had gray hair, thinning hair or a good hairdresser.

Therefore, much of the talk was about reaching out to young people and getting them to join organized labor.

"We need a unionism that makes sense to the next generation -- young women and men who either don't have the money to go to college or are almost penniless by the time they come out," Richard L. Trumka said in his acceptance speech after he was elected president to succeed the retiring John J. Sweeney.

When young people do get a job, he said, they work for low wages as temporary workers, contractors or telecommuters, working without security, health care or pensions.

"These women and men need a strong voice. But when they look at unions, they don't see themselves -- only a grainy, faded picture from another time. That's not the way it has to be.

"The labor movement can't ask the next generation of workers to change how they earn their living to fit our model of trade unionism," he said.

Mr. Trumka said the AFL-CIO was planning to organize a "summit" of young workers to craft an action plan to meet their needs.

Part of the plan to create a younger union movement was the election of Liz Shuler, 39, to the No. 2 post in the federation, as secretary treasurer.

Ms. Shuler worked her way up through the International Brotherhood of Electrical Workers, where she started as a staff organizer and rose to become assistant to the president. In her own speech, Ms. Shuler talked about reaching out to workers under the age of 35.

"It's not that today's young people don't like unions; it's just that they really don't know about us," she said.

She also brought up the report released by the AFL-CIO earlier this month that a third of young people worry about finding full-time work with benefits "and an equal number are still living with their parents."

One of the announcements during the week was that Unite Here, a national labor union that represents 265,000 workers who work in the hospitality, gaming, food service, manufacturing, textile, laundry and airport industries rejoined the AFL-CIO.

Unite Here, along with the Service Employees International Union and the International Brotherhood of Teamsters left the AFL-CIO in 2005 after claiming there was too much emphasis on politics and not enough on organizing. Other unions also are looking at rejoining the AFL-CIO, which represents 11.5 million workers.

The gathering of labor, however, also brought out detractors.

The Associated Builders and Contractors, which represents nonunion construction companies, posted billboards in Pittsburgh this week targeting the AFL-CIO convention and asking President Barack Obama, who spoke to the delegates, to veto the Employee Free Choice Act, saying it would cost workers jobs and that union pension plans were running out of money.

Brett McMahon, vice president of a cement company and a spokesman for the Associated Builders and Contractors, said the unions bring with them work rules that are geared for another time. He said an example is the rule on some sites that only licensed electricians can plug in an extension cord.

"That doesn't work for a 25- or 30-person contractor," he said.

Mr. McMahon noted that only 7.6 percent of the private work force was unionized. He said it was because unions didn't keep up with changes in the rest of the world.

He disagreed with federal rules that call for every project over \$25 million to have a labor agreement because he said nonunionized companies would then be forced to pay into union pension plans and their own employees' 401(k) plans. He said the union pension plans were underfunded, which is why they are trying to bring in younger workers.

The unions' argument to the younger workers is that, without a contract, they don't know if their jobs or benefits can disappear overnight.

After a week of talking, a week of listening and a week of voting, one thing is sure: The AFL-CIO has a full plate to empty before the next convention in 2013.

Morgan Stanley: Rail legislation foreseen as month ends

September 21, 2009

In a conference call with Morgan Stanley analysts William Greene and Adam Longson, former Surface Transportation Board Chair Linda Morgan anticipated a draft version of rail legislation to be introduced by Sen. Jay Rockefeller (D-W. Va., pictured at right) "very soon," and likely before the month ends. Morgan Stanley foresees a "compromise bill" resulting as Congress seeks to handle a potentially contentious issue.

Morgan told the Morgan Stanley duo a focus on other issues, including healthcare and climate, has delayed rail legislation, but Congress is likely to act now and not wait for 2010, a congressional election year. "If a rail bill is going to pass by year-end, the end of September is likely a critical deadline for introducing draft legislation," the analysts said in a note.

"The mere introduction of rail legislation will create headline risk for rails, and the recent appreciation in shares makes the stocks increasingly vulnerable to a near-term correction," Greene and Longson warned. "There are three key areas the proposed legislation is likely to address: 1) provisions to strengthen the STB, giving it more authority, resources and commissioners; 2) provisions to help increase customer access to the rail networks; and 3) reforming review process on rail rates and service."

Added Morgan Stanley, "Significant compromise is the most likely outcome, in our view. Any rail bill will need consensus to ensure it passes with little debate, given the proposed timeline. The rails may support a compromise bill to avoid potentially more onerous legislation, while shippers may accept a compromise to avoid potentially walking away with nothing.

"We don't think a compromise bill will lead to a wholesale change in rail economics. While far from the best-case scenario, this is more favorable than antitrust legislation or re-regulation, which could affect rail profitability in a materially negative way," Greene and Longson wrote.

Baucus Plans Changes to Health Bill to Win Over Key Lawmakers

By Lori Montgomery and Shailagh Murray
Washington Post Staff Writers
Monday, September 21, 2009 6:14 PM

Less than a week after he unveiled his health-care reform bill to mixed, even grumbling reviews, Senate Finance Chairman [Max Baucus](#) (D-Mont.) is preparing major revisions to it, to satisfy Democrats and the lone Republican yet to announce her vote on the measure, [Sen. Olympia J. Snowe](#) of Maine.

As expected, lawmakers have their own ideas for improving Baucus's proposal, and have submitted 564 amendments for consideration this week by the Finance Committee. Many of the amendments focus on making insurance more affordable for those who would be forced to buy policies under the plan, on modifying or eliminating Baucus's proposed sources of financing, and on protecting Medicare beneficiaries from a laundry list of proposed spending cuts.

Baucus is looking at making more middle-income families eligible for federal insurance subsidies. His original bill would subsidize people earning between 300 percent and 400 percent of the federal poverty level only if premiums cost more than 13 percent of their income. The House bill sets that cap at 12 percent, and a source close to the discussion said Baucus could go to 12 percent or lower.

Under pressure from Democrats who represent high-cost states, Baucus is also considering a revision to his tax on high-cost insurance policies, raising the amount that would be exempted from a 35 percent excise tax. He is unlikely to heed calls to eliminate the tax altogether, however, since it is the most critical provision in the package toward reducing future budget deficits.

Key Republicans, whose support Baucus is still courting, have offered some ideas for radically reworking the plan. [Sen. Charles E. Grassley](#) of Iowa, the senior Republican on the panel, for example, wants to ditch a variety of fees Baucus would impose on various sectors of the health care industry, replacing the cash with unspent funds from this year's economic stimulus package.

Snowe wants to make the plan more affordable for people who already have employer-sponsored health insurance coverage. Under Baucus's proposal, those people would be barred from receiving federal subsidies unless they were contributing more than 13 percent of their income toward their share of such insurance. Snowe proposes to make that an adjustable cap, shifting between 3 percent and 13 percent, so people who earn about the same amount of money would be treated the same under the plan, regardless of whether they had access to coverage through an employer. The idea would add billions of dollars to the cost of the \$774 billion package; Snowe indicated that she would provide ideas for raising the cash "at a later date."

Snowe also is looking to revive her plan for a government-run insurance option that would be offered to customers in states or regions where private insurance companies failed to develop plans that would be affordable to 95 percent of the population. Baucus has rejected the idea of a government-run plan, arguing that it cannot survive a vote of the Senate.

9/22/2009 Federal Funding

FRA provides more than \$14 million for seven freight-rail projects

Last week, the Federal Railroad Administration (FRA) announced seven recipients of Rail Line Relocation and Improvement program grants. Proceeds will be used to relocate or improve rail lines in various communities.

The FRA awarded:

- \$4 million to the Pennsylvania Department of Transportation to relocate Dillerville Yard;
- \$4 million to Cameron County, Texas, to relocate a line in Brownsville;
- \$2.8 million to the North Carolina DOT to improve rail on an Aberdeen & Rockfish Railroad line;
- \$2 million to the city of Tukwila, Wash., to realign the Strander Blvd. Line;
- \$967,375 to the North Carolina DOT to relocate CSX Corp.'s Greenville Yard;
- \$349,680 to Schuyler County, N.Y., to relocate track in Watkins Glen; and
- \$152,664 to the city of Pleasantville, N.J., to rehabilitate former Southern Railway track.

To be eligible for grant funding, a project must improve rail safety, motor vehicle traffic flow or a community's "quality of life," according to the FRA. Grant recipients are required to pay at least 10 percent of a project's cost. Created by SAFETEA-LU, the Rail Line Relocation and Improvement program authorizes up to \$350 million annually for fiscal years 2006 through 2009.

September 25, 2009

Former Kennedy Aide Is Appointed to Fill His Senate Seat

By [ABBY GOODNOUGH](#) and [CARL HULSE](#)

BOSTON — Gov. [Deval Patrick](#) today named Paul G. Kirk Jr., a former aide and longtime confidant of the late Senator [Edward M. Kennedy](#), to Mr. Kennedy's seat.

"He shares the sense of service that so distinguished Senator Kennedy," Governor Patrick, a Democrat, said at a news conference in Boston. "The interests of the commonwealth have never been more vital or at stake in the Congress today."

Mr. Kirk, a longtime friend of the Kennedy family and onetime special assistant to Senator Kennedy, is scheduled to take the oath of office on Friday and serve until a special election on Jan. 19; he has pledged

not to run in the election. He said on Thursday that he would keep the late senator's staff in place.

Mr. Kirk was the favorite of the late senator's wife and two sons, as well as some officials in [President Obama](#)'s administration, according to people familiar with the matter. The president issued a statement after the appointment was announced.

"I am pleased that Massachusetts will have its full representation in the [United States Senate](#) in the coming months, as important issues such as health care, financial reform and energy will be debated," Mr. Obama said. "Paul Kirk is a distinguished leader whose long collaboration with Senator Kennedy makes him an excellent interim choice to carry on his work until the voters make their choice in January."

On Wednesday, the Massachusetts legislature gave final approval to a bill that allowed Mr. Patrick to name an interim successor to Mr. Kennedy, who died of brain cancer last month.

Late Thursday morning, however, the Massachusetts [Republican Party](#) filed a motion in Suffolk Superior Court requesting an injunction to keep the appointment of Mr. Kirk from taking effect. In its motion, party leaders argue that it was unconstitutional for the governor to have put the new law into effect immediately.

"It's in the judge's hands now," said Tarah Donoghue, communications director for the state party.

A person close to the Kennedy family said Wednesday that Mr. Kennedy's widow, [Victoria Reggie Kennedy](#), and his sons, Edward M. Kennedy Jr. and Representative [Patrick J. Kennedy](#) of Rhode Island, had urged Mr. Patrick to appoint Mr. Kirk, who worked for Senator Kennedy in the 1970s, and later served as chairman of the [Democratic National Committee](#).

Mr. Kirk said he was grateful the family chose him "to be a voice and a vote" for the late senator's causes.

"This appointment is a profound honor, and I accept it with sincere humility," he said.

The other Massachusetts senator, [John Kerry](#), said at the news conference that Mr. Kirk would be a "superb steward" for Mr. Kennedy's seat.

Mr. Kirk, 71, is chairman of the [John F. Kennedy](#) Library Foundation in Boston. Several friends and associates described him as low-key and laconic, a shrewd political strategist who could have run for office himself but decided he preferred a behind-the-scenes role.

Democrats in Washington and Massachusetts expressed enthusiasm for his candidacy, saying Mr. Kirk was familiar enough with Capitol Hill and Mr. Kennedy's priorities to seamlessly pick up where the senator left off.

Just before Mr. Kennedy died on Aug. 25, he asked the legislature to change the law and let Mr. Patrick appoint a temporary replacement for his seat until a special election could be held. That election is scheduled for Jan. 19.

Although Mr. Kennedy did not mention it when he made the request, it is clear that Democratic votes will be crucial to passing the contentious health care legislation making its way through Congress. He was a champion of overhauling the health care system, but with his seat empty, Democrats in the Senate are not assured the 60 votes necessary to pass the legislation.

Under the State Constitution, Mr. Patrick has to take the unusual step of declaring the law an emergency to make it effective immediately; most new laws cannot take effect for 90 days.

State Republicans said they might try to block an emergency declaration, and indeed late Wednesday, several House Republicans asked Mr. Patrick to seek an advisory opinion from the state's Supreme Judicial Court on whether he had the authority to make such a declaration. But [William F. Galvin](#), the secretary of state, said there were no grounds for a legal challenge. "This procedure goes on all the time," said Mr. Galvin, a Democrat.

Mr. Patrick returned to Boston on Wednesday after several weeks recuperating from hip surgery at his home in western Massachusetts.

In addition to Mr. Kirk, Mr. Patrick was said to have considered [Michael S. Dukakis](#), a former governor and 1988 presidential nominee, and Evelyn Murphy, a former lieutenant governor under Mr. Dukakis. Republicans, who have fought the succession bill, tried again Wednesday to stall or quash it. Governors here had the power to fill Senate vacancies until 2004, when the Democratic majority in the legislature changed the law to require a special election. Democrats worried then that if Senator John Kerry were elected president, Gov. [Mitt Romney](#), a Republican, would appoint a Republican.

The Constitution states that to put a new law into effect without delay, a governor must write a letter to the secretary of state declaring that "the immediate preservation of the public peace, health, safety or convenience" requires it.

As an alternative, the legislature can declare a new law an emergency, but it requires a two-thirds vote. Both chambers tried but failed Wednesday to muster enough votes for such a declaration.

CSX to sell two rail routes to Massachusetts

September 25, 2009

Massachusetts and CSX have agreed on the sale of CSX's Boston-Worcester, Mass., route to the commonwealth, opening up potential service capacity additions on the route and the extension of Massachusetts Bay Transportation Authority service to Worcester.

CSX would retain trackage rights on the route under the deal, and contribute \$500,000 to help pay the agency's liability insurance, plus pay a \$7.5 million deductible for any accident where the freight railroad is found to be at fault. Liability concerns and disagreements kept the two sides from agreeing to any sale last year.

Included in the deal is CSX's Fall River-New Bedford, Mass., route, in the southeast portion of the state, which also will be sold to the state and for which MBTA also plans to expand regional

rail passenger service.

CSX will be paid an undisclosed sum for both routes, as well as for the Boston Terminal Running Track and a rail yard in South Boston. The deal also hinged on a commitment by state transportation officials to upgrade some bridges along the routes to allow for double-stack container train operations. Massachusetts also will help relocate CSX's operations out of another rail yard in Boston.

"This is a great development for the commonwealth, its residents, its environment, and its economy," said CSX Chairman, President, and CEO Michael J. Ward (pictured at left) in a statement. "In addition to commuter service, the plan will give the commonwealth a double-stack freight rail route that will help alleviate congestion on Massachusetts highways

9/25/2009 Traffic

AAR weekly report: North American railroads report smaller year-over-year traffic declines

During the week ending Sept. 19, U.S. railroads originated 282,341 carloads, down 9.6 percent compared with volume from the same week last year — a smaller year-over-year decline than the previous week, according to the [Association of American Railroads \(AAR\)](#). However, the comparable week in 2008 included traffic disruptions caused by Hurricane Ike, so it's difficult to gauge if carloads are beginning to strengthen in September.

Intermodal volume in week No. 37 totaled 205,137 units, down 12.4 percent year over year.

For the week ending Sept. 19, Canadian railroads reported 68,134 carloads, down 10.7 percent, and 45,859 containers and trailers, down 11.4 percent. Mexican railroads reported 10,836 carloads, down 0.8 percent, and 6,223 intermodal loads, down 7.8 percent.