Brotherhood of Maintenance of Way Employes Division
of the International Brotherhood of Teamsters

NEWS CLIPS

October 30, 2009

Randall Brassell, Director of Communications
Telephone: 615-521-4097 (Fax) 615-824-2164
email: rbrassell1@aol.com

BMWED representative meet to finalize national bargaining demands

Friday, October 23, 2009

BMWED National Division President Freddie Simpson convened a meeting Oct. 21 for the purpose of reviewing membership surveys and finalizing bargaining demands that will be served on the nation's freight railroads in November. The national contract with most freight railroads will expire January 1, 2010 and the next round of bargaining will begin.

National Division officers and representatives from the twenty-three federations that make up the BMWED attended the meeting.

"We have surveyed our members and have heard their response. Our bargaining demands will reflect the genuine concerns of our membership," said BMWED National Division President Freddie Simpson. "We look forward to an earnest and productive round of bargaining that provides a fair wage and health and welfare package and one that resolves those issues that are currently adversely affecting our members."

The BMWED represents the 35,000 men and women who build, maintain and inspect the nation's railroads.

McCain Puts Hold on Senate Confirmation of Obama's Labor Board Nominee

October 25, 2009

Sen. John McCain reiterated his case Thursday against President Obama's nominee to serve on the National Labor Relations Board, saying Craig Becker's controversial writings and legal advocacy work have outraged critics who say he supports unions at the expense of employer free speech and American businesses.

McCain, R-Ariz., decided Wednesday to block Senate consideration of the nomination of Becker to join the NLRB -- a five-member independent government agency that supervises union organization campaigns and investigates and remedies unfair labor practices.

Becker, who currently serves as associate general counsel to the Service Employees International Union (SEIU), a labor union representing about 1.8 million workers, was approved by a 15-8 vote Wednesday in the Senate Health, Education, Labor and Pensions Committee.

But McCain and a slew of business groups are raising questions over articles and academic journals written by Becker on the very labor law he would work to interpret if confirmed to the board. Critics say Becker's writings reflect views that support restricting employers' free speech rights and limiting the ability of employers to converse with their employees during union representation campaigns.

"Mr. Becker is on the record supporting suppression of employer free speech," McCain spokeswoman Brook Buchanan said in an interview with Foxnews.com on Thursday. Buchanan said McCain is calling for an on-the-record hearing to "give Mr. Becker the opportunity to clarify some of these views and opinions."

Of particular concern to critics is a 1993 Minnesota Law Review article in which Becker, then a law professor at UCLA, argued that "employers should be stripped of any legally cognizable interest in their employees' election of representatives."

"Employers should have no right to raise questions concerning voter eligibility or campaign conduct," Becker wrote.

"Because employers have no right to vote, they cast no ballots the significance of which can be diluted by the inclusion of ineligible employees. Nor, obviously, can employers be coerced in the exercise of a franchise they do not have. Because employers lack the formal status either of candidates vying to represent employees or of voters, they should not be entitled to charge that unions disobeyed the rules governing voter eligibility or campaign conduct," he continued.

Business groups, including the National Association of Manufacturers and the U.S. Chamber of Commerce, claim Becker supports policies that reflect a clear bias against employers and would be "detrimental" to American manufacturers. They are insisting that a public hearing be held to question Becker.

"Mr. Becker has espoused extreme positions far outside mainstream thought on how our nation's labor laws should be interpreted," National Association of Manufacturers Executive Vice President Jay Timmons wrote in a letter to Sen. Tom Harkin, chairman of the Senate HELP committee.

But Harkin and others, including the committee's top Republican, Sen. Mike Enzi. voted to approve his nomination.

Enzi said in opening testimony Wednesday that he has "serious concerns" about Becker's writings -- especially the "potential for radical changes in labor law he has advocated" -- but told the committee that Becker had been properly vetted.

Becker, along with fellow nominees Brian Hayes and Mark Pierce, "have successfully completed the committee's vetting process and all the necessary paperwork," Enzi said during opening testimony.

Enzi added that nominees to the NLRB "have been historically confirmed in packages of either two at a time or three at a time."

When asked for more information on Enzi's concerns regarding Becker, his spokesman Michael Mahaffey told Foxnews.com: "Senator Enzi believes that [the] president is due some deference when it comes to choosing nominees -- that's one of the consequences of the last election."

Buchanan said that while McCain is calling for a public hearing on Becker's confirmation, "I can't say at this point that he [McCain] either supports or opposes his nomination."

New life for the public option

By Dan Balz
Sunday, October 25, 2009

The resurrection of the public option is the latest and one of the most surprising turns in the long battle over legislation to overhaul the nation's health-care system. Under assault for months, and declared on life support repeatedly in recent weeks, the provision for a public insurance option is unexpectedly alive as House and Senate leaders prepare to send their bills to the floor.

That doesn't mean it's a done deal. Whether it survives the final battles, and in what form, are still the unanswerable questions. Multiple versions of a public option are on the table. Liberal and moderate Democrats are still at odds and are drawing lines in the sand in hopes of exercising maximum influence on the outcome.

Senate Majority Leader Harry M. Reid (D-Nev.) and House Speaker Nancy Pelosi (D-Calif.) are still scratching for the votes to pass bills with a public option included. But by next week, both hope to have bills ready either for unveiling or to send to the Congressional Budget Office for analysis and scoring.

What encourages some of those who have followed this debate closely from the inside is the degree to which Democrats are in sight of a compromise on the public option and other remaining differences -- though many may have to accept some disappointment to get a bill to President Obama's desk.

What brought the public option back to life?

Conservative opposition nearly sank the public option over the summer. Many Republicans called it a government takeover of health care. Some conservatives see it as the first step toward a single-payer system (as do some liberals). At the height of the town hall and Tea Party activity, the White House appeared to be running for cover. Officials worried that the public option had become a proxy for more pervasive concerns about the amount of government intervention Obama was calling for in his economic and domestic policies.

Administration officials sent equivocating signals. White House Chief of Staff Rahm Emanuel, driven by a pragmatic desire to get a bill through Congress, appeared willing to sacrifice the public option, if necessary, to reach the larger goal. The president maintained that he still preferred to see a public option in the legislation, but he told one town hall audience that this was merely "a sliver" of the overall health-care debate. In other words, if it sank into obscurity, he wouldn't weep long over its disappearance.

The conservative opposition and the administration's apparent wobbliness prompted a counterattack by liberal advocates of the public option, who saw it as the holy grail of the debate. Few experts see it that way, and there are no doubt far more important provisions that would have a more direct effect on coverage, on how individuals are treated by their insurance companies and in controlling costs (still the weakest element of bills under consideration). But the grass-roots support had an effect.

When Congress returned to Washington in September, the debate's focus shifted to the dynamics of the Senate Finance Committee, where Chairman Max Baucus (D-Mont.) had labored for months to produce a bipartisan consensus. To that end, he joined several other Democrats in opposing two versions of a public option in the committee's bill, saying he saw no way to get 60 votes in the full Senate.

That seemed to spell the end for the public option. Baucus, however, managed to get one Republican, Sen. Olympia Snowe (Maine), to join with Democrats in approving the legislation. Snowe opposes a public option, but she has advocated the use of a trigger mechanism that would allow a government insurance plan if private competition proves inadequate. Snowe's future votes remain conditioned on what is in the final bill.

With virtually unanimous Republican opposition likely, Democrats reevaluated the politics of the public option. Two recent events contributed to their renewed push to include it. One was the insurance industry's decision to attack the legislation and issue a report warning of higher premiums. The report triggered a backlash among liberal Democrats, who decided to push even harder for a public option.

Then last week, new polls, one from The Washington Post and ABC News and the other from the Henry J. Kaiser Family Foundation, found clear majority support (57 percent) for a public option. The Post-ABC News poll showed support had risen five percentage points since August. The new numbers emboldened public-option supporters to press harder, even though the same polls continued to show the public divided over the overall shape of health-care legislation.

National polls are one thing. But getting the votes in the House and Senate is quite another. For red-state senators or House Democrats from marginal districts, perceptions of public opinion at home are another, which is why rounding up the votes for a bill with a public option remains a challenge.

Pelosi has long been a determined advocate for the public option. The most robust version, which would pay on the basis of Medicare rates, appears not to have enough votes to get through the House. As of this weekend, Pelosi's fallback appears to be a provision that pays on the basis of negotiated rates, still a relatively robust approach.

Reid is trying to attract 60 votes for a bill with a more qualified public option, one that would let states opt out of the system. Even if he is a few votes short, Reid is inclined to include the option in the bill that goes to the floor. Snowe's trigger mechanism may be the fallback position in the Senate if there aren't 60 votes for an opt-out plan.

On Friday, Pelosi signaled her receptivity to the opt-out approach as a possible compromise between the House and Senate, a sign that despite her advocacy for a robust public option she doesn't want to jeopardize reelection prospects for the moderate-conservative members of her caucus.

Much negotiating and posturing lie ahead. Obama told Senate leaders late last week he still sees value in trying to keep Snowe in the coalition. But liberal Democrats will be unhappy if the Senate bill includes her trigger mechanism rather than something stronger.

That will then test Democrats' cohesiveness, and Obama's leadership and persuasiveness. That battle could be weeks away. The fact that the House and Senate now appear likely to receive health-care bills with a public-option provision is surprise enough.

Reid makes concessions to labor unions on Senate healthcare bill

By Alexander Bolton - 10/26/09 02:59 PM ET

Senate Majority Leader Harry Reid (D-Nev.) has made several significant concessions to organized labor in the healthcare reform bill he is preparing for the Senate floor, according to a source familiar with the legislation.

Reid has increased the threshold of high-cost insurance plans that would be subject to taxation to pay for healthcare reform.

Legislation passed by the Senate Finance Committee would impose a 40 percent excise tax on family plans costing more than $21,000, a provision estimated to raise $201 billion for healthcare reform. Under heavy pressure from unions, Reid has increased the threshold so that only family plans costing $23,000 or more would be taxed, said a source familiar with the bill.

The taxable threshold would increase each year by the rate of the Consumer Price Index plus one percent.

Union officials are happy that Reid has listened to their concerns, even though they would like to see the controversial tax scrapped altogether.

AFL-CIO President Richard Trumka praised Reid on Monday for trying to lessen the impact of the insurance plan tax on working families.

"Sen. Reid is working hard to lessen the impact of this tax and we appreciate his hard work on this," Trumka said during a conference call with reporters.

The Senate bill that Reid has crafted would also include a national government-run insurance plan and allow individual states to opt out of the program.

Trumka said his union would not support an “opt in/opt out” compromise on the public option but he said it was a step in the right direction.

“It’s on its way but it’s not there yet,” he said.

The legislation Reid is crafting with Senate Finance Committee Chairman Max Baucus (D-Mont.) and Sen. Chris Dodd (D-Conn.) would also increase the penalty on employers who fail to provide healthcare insurance for employees.

A spokeswoman for Reid did not respond immediately to a request for comment.

STB: Only Norfolk Southern earned cost of capital in 2008

October 27, 2009

The Surface Transportation Board announced Monday that only one Class I railroad, Norfolk Southern, achieved revenue adequacy for the year 2008. All others were found to be "revenue inadequate" last year.

The annual determination of revenue adequacy is made in accordance with standards and procedures developed after passage of the Staggers Rail Act of 1980, which substantially deregulated railroads. A main goal of Staggers was to restore the railroad industry to a return on investment that would at least match its cost of investment capital.

"In Railroad Cost of Capital — 2008, STB Ex Parte No. 558 (Sub-No. 12) (STB served Sept. 25, 2009) we determined that the 2008 railroad industry cost of capital was 11.75%," STB said in its announcement Monday. "By comparing this figure to the 2008 ROI data obtained from the carriers’ Annual Report R-1 Schedule 250 filings, we have made revenue adequacy calculations for each of the Class I freight railroads that were in operation as of December 31, 2008."

Following is STB's summary of the Returns on investment for all Class I railroads in 2009:

BNSF Railway Co.: 10.51%

CSX Transportation, Inc.: 9.34%

Grand Trunk Corp. Consolidated (including all Canadian National U.S. affiliates): 9.89%

Kansas City Southern Railway Co.: 7.72%

Norfolk Southern Railway Co.: 13.75%

Soo Line Railroad Co. (including all Canadian Pacific U.S. affiliates): 9.29%

Union Pacific Railroad Co.: 10.46%

10/27/2009 3Q Financials

CP reins in costs, but revenue and traffic take a tumble

Like the other Class Is that have reported third-quarter financial results so far, Canadian Pacific weathered the recession because of cost controls and productivity gains.

Net income rose 14 percent to $183 million and diluted earnings per share increased 5 percent to $1.09 compared with third-quarter 2008 figures. However, excluding a foreign exchange gain and loss on long-term debt and other specified after-tax items — including the sale of two properties — adjusted income declined 22 percent to $135 million and adjusted diluted earnings per share fell 29 percent to 80 cents.

Total carloads tumbled 18 percent to 602,400 units and total revenue dropped 20 percent to $1 billion compared with third-quarter 2008 data. Grain revenue rose 7 percent to $262 million, but intermodal revenue dropped 26 percent to $267.5 million, coal revenue declined 25 percent to $112.2 million, industrial and consumer products revenue decreased 23 percent to $179.7 million, sulfur and fertilizers revenue tumbled 36 percent to $75.3 million and automotive revenue fell 29 percent to $55.9 million.

But CP’s operating ratio improved slightly, dropping 0.3 points to 76. And due to ongoing efforts to rein in costs, the Class I’s operating expenses declined 20 percent to $776 million compared with third-quarter 2008 expenses. Although costs tied to compensation and benefits rose 3 percent to $300.9 million, fuel expenses plunged 51 percent to $126 million, purchased services and other costs decreased 7 percent to

$142.2 million, and material costs dropped 7 percent to $43 million.

“We are continuing to refine and optimize our business processes to further drive structural cost improvements,” said CP President and Chief Executive Officer Fred Green in a prepared statement. “This increases our flexibility and positions us well to respond to changes in volumes as the economy begins to recover.”

Obama Administration to reconsider trucker rule

By SAM HANANEL (AP) – 7 hours ago

October 27, 2009

WASHINGTON — The Obama administration has agreed to reconsider a rule that allows long-haul truckers to drive for up to 11 hours straight, bowing to safety advocates who say longer hours could lead to greater fatigue and more accidents.

The Federal Motor Carrier Safety Administration signed an agreement late Monday with safety and labor groups pledging to revise the rule that became final in the waning days of the Bush administration.

"We believe that starting over and developing a rule that can help save lives is the smart thing to do," said Transportation Secretary Ray LaHood.

For 60 years, truckers were allowed to drive a maximum of 10 hours at a time. The Bush administration and the trucking industry wanted to let truckers have an extra hour of driving time. The rule also cut rest and recovery time at the end of a work week from 50 or more hours off duty to as little as 34 hours off-duty.

The transportation agency isn't saying exactly what it will do, but opponents of expanded hours are hopeful a new rule will be closer to the original limits.

"We are pleased that the government has decided to take seriously its responsibility to protect truck drivers and the public from unsafe driving conditions instead of bending to the interests of the trucking industry," said Greg Beck, an attorney for the consumer group Public Citizen.

The FMCSA says it will propose a new rule within the next nine months.

A federal appeals court struck the rule down twice, saying the government did not adequately explain its reasoning for adding the extra hour. But the Bush administration reinstated the rule each time.

Public Citizen, Parents Against Tired Truckers, Citizens for Reliable and Safe Highways, Advocates for Highway and Auto Safety and the International Brotherhood of Teamsters sued to get the rule thrown out.

"We will continue to push for a rule that protects trucks drivers, instead of the greed of the trucking industry," said Teamsters president Jim Hoffa. "Longer hours behind the wheel are dangerous for our members and the driving public."

Clayton Boyce, spokesman for American Trucking Associations, said the number of truck-involved fatalities and injuries on highways has decreased since the new rules took effect.

"It's been shown during that time that the rules as they are constructed are safe," Boyce said.

CP earnings top Wall Street expectations

October 28, 2009

Canadian Pacific Railway earned a third-quarter profit of $195 million, up 14% from 2008, the railroad announced Tuesday. Diluted earnings per share were $1.16, an increase of 5% (All figures are in Canadian dollars.)

CP said foreign exchange gains and losses on long-term debt and other after-tax items, including the sale of two large properties, had an impact on earnings of $0.31. Excluding these items, adjusted diluted earnings per share were $0.85, handily beating the Wall Street consensus estimate of 78 cents.

"We delivered strong cost control and tight resource management this quarter while traffic volumes remained under pressure," said Fred Green, President and CEO. "We are continuing to refine and optimize our business processes to further drive structural cost improvements. This increases our flexibility and positions us well to respond to changes in volumes as the economy begins to recover."

Said Dahlman Rose & Co. Director-Equity Research and Railway Age Contributing Editor Jason Seidl, "Canadian Pacific has demonstrated an ability to keep costs down and improve operating efficiencies. While it seems unlikely that a significant upturn in volumes will follow the ongoing stabilization in the near term, CP is well positioned to further improve its bottom line results by continuing its cost control and service enhancement strategies."

CP said that in the third quarter and the first nine months of 2009, the results of the Dakota, Minnesota & Eastern are consolidated with CP's results; however, for the same periods in 2008 DM&E earnings were reported as equity income on one line of the income statement. In order to aid in the evaluation of the underlying earnings trends, 2008 results have also been presented on a pro forma basis, which is a non-GAAP measure. Financial data presented on a pro forma basis, redistributes DM&E's operating results from an equity income basis of accounting to a line-by-line consolidation of DM&E revenues and expenses.

NS: Revenue falls, but Wall Street is encouraged

October 28, 2009

Norfolk Southern reported Tuesday third-quarter net income of $303 million, or 81 cents per diluted share, down almost 42% from $520 million, or $1.37 per diluted share, in the comparable third quarter of 2008. Revenue of $2.1 billion fell 29% from year-ago levels, which NS attributed primarily to a 20% falloff in traffic volume and fuel-related revenue. However, NS's railway operating expenses for the quarter were $1.5 billion, a decrease of 25% over the same period of 2008. Its railway operating ratio was 72.8%, compared with 69.1% during the third quarter of

2008.

“While our third-quarter results reflect the continuing weak economy, they also show Norfolk Southern's resilience and the strength of our franchise," said Norfolk Southern CEO Wick Moorman. “By controlling costs and maintaining service levels, we are managing through this economic downturn and will emerge an even stronger company.”

NS’s results drew positive comments from some Wall Street analysts. “NS’s favorable outlook with respect to key pillars of our AttractiveIndustry View is likely to stabilize and support rail shares,” said Morgan Stanley & Co. Inc.'s William Greene, Adam Longson, and John Godyn. “In contrast to the relatively less favorable outlook issued by the Western rails, NS management commentary was positive on both pricing and volume trends in addition to expected productivity gains.”

In early afternoon trading Wednesday on the New York Stock Exchange, shares of Norfolk Southern were up roughly $1.00, or more than 2%.

CQ TODAY PRINT EDITION – HEALTH
Oct. 28, 2009 – 7:47 p.m.

Reid Increases Threshold for Excise Tax in Health Care Bill, Lobbyists Say

By Drew Armstrong, CQ Staff

The health care bill that Senate Majority Leader Harry Reid has written would raise the threshold at which high-cost insurance plans are taxed, according to several sources familiar with the legislation.

The bill makes an important change to a significant revenue-raiser borrowed from the Finance Committee bill (S 1796) — an excise tax on high-cost insurance plans. It was originally written as a 40 percent tax on plans costing $21,000 per year for a family, indexed to inflation plus 1 percent. Reid, D-Nev., has raised that figure to $23,000, with the same growth rate of inflation plus 1 percent.

The result will be less revenue raised by the tax, which will likely have to be made up elsewhere.

Reid’s bill has been sent to the Congressional Budget Office (CBO) to be scored, but with several policy options that are still being negotiated.

One option under consideration is a fine on employers whose workers get government subsidies to buy health insurance instead of getting coverage through the workplace.

Instead of a mandate for employers to provide coverage, the option borrows a provision from the Finance legislation known as the “free rider” policy. Employers would not be required to offer insurance coverage to uninsured workers but would instead pay a fine if those same workers got coverage through government subsidies.

The fine would be $750 for every worker. For a 100-person company, if some workers got the subsidized coverage, the employer could pay $75,000 in fines.

In the original Finance bill, the penalty was either $400 per employee or the average cost of the subsidies that were going to workers in the company, whichever was smaller. Companies with fewer than 50 employees are exempt in the Finance bill.

Details of both provisions were confirmed by several lobbyists who have been briefed by Reid’s office on the bill’s contents.

A spokeswoman for Reid declined to provide further detail. “Details of the bill are still being worked out,” said Regan Lachapelle. “We will have to wait to hear back from CBO.”

A lobbyist for the American Federation of State, County and Municipal Employees, Chuck Loveless, said union groups would keep pushing Reid to get rid of the tax on high-cost insurance plans, something they argue will be passed on to workers through higher premiums.

“Our goal right now is to eliminate the excise tax from the bill,” Loveless said.

“It’s still not adequate from our point of view, but it is an improvement,” he said of the changes. “We commend the leader for the effort he has made.”

Reid’s legislation probably will not be unveiled until the CBO scoring is complete. “That could take four days, and it could take two weeks,” Democratic Caucus Vice Chairman Charles E. Schumer of New York said Wednesday. “No one knows.”

House health-care reform bill includes public option

By Shailagh Murray
Washington Post Staff Writer
Thursday, October 29, 2009 10:48 AM

House Speaker Nancy Pelosi (D-Calif.) unveiled a health-care reform bill Thursday that includes a government insurance option and a historic expansion of Medicaid, although sticking points in the legislation involving abortion and immigration remain unresolved.

The bill includes a version of the "public option" preferred by moderates and raises Medicaid eligibility levels to 150 percent of the federal poverty level for all adults, a steeper increase than in earlier drafts.

"Today we are about to deliver on the promise of making affordable, quality health care available for all Americans," Pelosi said, describing a bill that she said would insure 36 million more Americans. ". . . We are putting forth a bill that reflects our best values and addresses our greatest challenges."

The House legislation aims to provide health insurance of one form or another to 96 percent of all Americans at an expected cost just below $900 billion over 10 years, without increasing the federal budget deficit for at least 20 years, House Democrats said. "It opens the doors to quality medical care for those who were shut out of the system for far too long," Pelosi said.

House leaders abandoned an earlier effort to include a public option that would have established reimbursement rates to providers based on Medicare. Although the provision was backed by liberals, it lacked enough votes to pass. Rural Democrats strongly opposed that approach because of the potentially ruinous effect on doctors and hospitals in their districts, where Medicare rates are generally well below the national average.

Instead, Pelosi is offering a more moderate alternative in which rates would be negotiated between providers and federal health officials, similar to the way in which private insurance operates. Majority Leader Harry M. Reid (D-Nev.) said he would include a similar provision in the Senate bill, though with an "opt out" clause for states that don't want to participate.

A previous version of the House bill carried an estimated cost of $1.04 trillion over 10 years, but House negotiators were able to lower the price tag -- in part by expanding Medicaid coverage to a broader slice of the population, the equivalent of all individuals who earn about $16,200 per year. The original House legislation had sought an increase to 133 percent of the federal poverty level, or about $14,400 per year, the same level proposed in the Senate bill.

The adjustment reflects findings by congressional budget analysts that covering the poor through Medicaid -- which pays providers far less than Medicare -- is much more cost-effective than offering subsidies for private insurance policies, something the bill would provide to middle class individuals who lack access to affordable coverage through their employers.

The main revenue sources in the House bill include a surcharge on wealthy taxpayers and changes to Medicaid and Medicare worth about $500 billion in cost savings over 10 years, according to the nonpartisan Congressional Budget Office.

Democratic House aides said party leaders had yet to resolve long-standing disputes over provisions to prevent federal funds from being used to subsidize abortions and to block illegal immigrants from receiving benefits.

10/29/2009 3Q Financials

Quarterly results show signs of a 'modest recovery,' KCS' Haverty says

The last Class I to report third-quarter earnings posted similar results to the six other large roads — as in significantly less revenue and income, but drastically reduced expenses. Today, Kansas City Southern reported net income of $25.8 million, or 27 cents per diluted share, compared with $48.9 million, or 52 cents per diluted share, in third-quarter 2008.

Operating income declined 24 percent to $84.4 million and revenue tumbled 21 percent to $386.1 million. All commodity groups registered revenue declines on a year-over-year basis. But each group "recorded higher revenues on a sequential basis from the second quarter, reflecting a gradually improving business environment," KCS officials said in a prepared statement. Third-quarter revenue rose 13 percent and carloads increased 12 percent vs. second-quarter figures.

Results show the railroad is "beginning to experience a gradually improving business environment" and "provide reasons to believe that at least we are seeing some signs of a modest recovery," said KCS Chairman Mike Haverty.

Although the Class I's operating ratio inched up 0.4 points to 78.1, the ratio bested the second-quarter mark of 87.3 by a wide margin.

Total operating costs fell 21 percent to $301.7 million compared with third-quarter 2008's total as fuel costs plunged 45 percent to $49.7 million, compensation and benefit costs dropped 10 percent to $83.4 million, purchased service costs tumbled 29 percent to $36.4 million and equipment costs decreased 6 percent to $41.8 million.

"As encouraging as KCS' third-quarter results are, management recognizes there is much work yet to be done to get the company's revenues and earnings back to pre-recession levels," said Haverty. "The company's mix of new and expanded business opportunities, coupled with a continued commitment to efficient operations and cost controls, provides KCS with the resources to build upon the operational and financial leverage achieved in the third quarter."

10/29/2009 Government

NMB reaches nine-year high in closed cases

During fiscal-year 2009, which ended Sept. 30, the National Mediation Board (NMB) closed 7,073 cases — the largest number of cases closed since FY2000.

The board began the fiscal year with 6,212 cases. During the period, 4,920 new cases were added, leaving the NMB with a year-end figure of 4,059 cases — the lowest number of pending cases in the agency's history, according to the NMB.

During the past two fiscal years, the board received supplemental funds directed to reducing the backlog of cases pending as of Sept. 30, 2007. The initial figure of backlog cases stood at 5,551, and the NMB has reduced that to 1,030 cases, the board said. At FY2009's end, 75 percent of the NMB's cases were two years old or less.

U.S. Plan to Ease Airline Union Organizing Said to Be Advancing

By John Hughes

Oct. 29 (Bloomberg) -- U.S. carriers including Delta Air Lines Inc. will have a harder time blocking union organizing campaigns under a change planned by a federal labor board, people familiar with the matter said.

The proposal, to be announced in coming days, would let workers form unions with majority approval of those voting, according to the people, who asked not to be identified discussing the plan. It would overturn a standard that requires support of most workers in a class, not just those who cast ballots.

The change would be a victory for the AFL-CIO, the largest U.S. labor federation. The group asked the National Mediation Board to overhaul the voting standard last month, saying it would be more democratic.

"It's been our sincere hope that the National Mediation Board would look at our recommendations favorably," Edward Wytkind, head of the AFL-CIO's transportation trades department, said in an interview yesterday.

A National Mediation Board spokesman didn't return a telephone call seeking comment.

Delta, the least unionized major passenger airline, has fought the proposed change. Pilots are the only large work group completely organized at the Atlanta-based carrier.

"We do not believe the NMB has the authority to change these long-standing rules," Delta spokeswoman Gina Laughlin said in an interview. "Nor do we believe a minority union should be allowed without giving employees a similar process to vote out a union."

Attendants and Machinists

The Association of Flight Attendants-CWA made a request to the board in July that would pave the way for an election at Delta, and the International Association of Machinists and Aerospace Workers asked a month later. Both unions are AFL-CIO members.

The flight attendants want to organize 20,500 employees, including non-union workers at Delta and those organized at Northwest Airlines, which Delta purchased last year.

The machinists are seeking a vote for about 14,000 baggage and ramp workers, flight-simulator technicians and security guards. The former Northwest employees in this group had been in unions while Delta's workers weren't.

The U.S. Chamber of Commerce and the Air Transport Association, a trade group for major U.S. carriers, also oppose the change.

"If the NMB goes forward with its proposal, we will be enormously disappointed, as nothing has changed to warrant a new rule," James May, the Air Transport Association president, said in a statement.

Three-Member Board

The National Mediation Board helps resolve labor disputes and oversees elections for airlines and railroads under the Railway Labor Act. The three-member board, criticized by labor for actions under Republican President George W. Bush's administration, now has a Democratic majority with President Barack Obama in office.

The Obama administration added a former flight-attendants' union leader to the board in May, replacing a former lobbyist for Northwest Airlines. Another board member is a former pilot- union official.

10/30/2009 Traffic

AAR weekly report: Not much change in North American carloads vs. last year

Suffice it to say rail traffic hasn't picked up much of late, at least in comparison to last year. But because U.S. railroads' traffic began to register notable declines at this time last year, the Association of American Railroads (AAR) decided to begin reporting weekly carload data in comparison to both 2008 and 2007 data.

During the week ending Oct. 24, U.S railroads originated 276,357 carloads, down 14.8 percent vs. 2008 and 17.3 percent vs. 2007. Intermodal volume totaling 207,401 units declined 10.1 percent from 2008's level and 14.5 percent from 2007's count.

Canadian railroads reported 71,097 carloads, down 9.9 percent, and 44,849 intermodal loads, down 13 percent compared with totals from 2008's 42nd week. Mexican railroads' weekly carloads totaling 12,447 units fell 2 percent and intermodal volume totaling 7,412 units dropped 6.5 percent.