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**NEWS CLIPS**

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# Time to Change the Game for Airline and Railroad Workers

Posted By [admin](#) On October 30, 2009 @ 8:38 am In [Legislation & Politics](#) | [3 Comments](#)

**In this cross-post from the Huffington Post, Edward Wytkind, president of the AFL-CIO Transportation Trades Department, describes why the deck is stacked against airline and railroad workers when it comes to union elections.**

The deck is stacked against airline and railroad workers when it comes to union elections. That's why airline CEOs are working so hard to defend current election procedures that count all workers who sit out elections as "no" votes.

Americans are accustomed to elections where a simple majority of those voting decides the outcome—whether they're voting for PTA president or U.S. senator. Not so for airline and railroad workers—who must first ensure that turnout exceeds 50 percent. How can we justify imposing higher turnout standards on airline and railroad union elections than we do in elections for the highest office of our land? We can't.

Let's take a moment to consider typical voter turnout data. The 2008 presidential election had the highest turnout in decades; nearly 57 percent of this country's eligible voters participated. While our presidential elections manage to draw just over half the country's eligible voters, mid-term elections bring out less than 40 percent. In fact, in every mid-term election since 1930 the national turnout was below 50 percent. What happens to eligible voters who choose not to vote in our local and national elections? The answer, of course, is that they do not factor into the election outcome.

The "majority rules" concept for elections is grounded in American democratic principles. But what if we arbitrarily assigned meaning to a voter who doesn't participate? Imagine if not voting was tabulated as a vote for or against something, such as "every non-vote counts as a vote for Obama," or conversely, "every non-voter must have intended to vote for McCain." Not only would this policy significantly skew election results, but it would nullify the expressed intent and incite outrage among those who actually voted.

Although it defies logic, this is the system aviation and rail workers must abide by for union elections. It makes no sense, and it is well beyond time for a change. That's why the Transportation Trades Department, AFL-CIO has asked the National Mediation Board (NMB), the federal agency that oversees these matters, to reform its election procedures to conform to the norms of American democracy: the majority of those casting a vote will decide the outcome and those who do not vote are not counted.

Think about this. Even when more than 90 percent of those who vote choose a union, they are routinely denied representation by those who didn't vote. It's a "veto by silence" principle at work. Other than airline CEOs and their lobbyists, no one else can defend this system. I wonder if some of the U.S. senators who are carrying the airline industry's water would support an amendment to the U.S. Constitution or to the election law in their state that forces them to face the voters under such onerous rules? I doubt it because in most of their elections, they would have lost.

Unionization in the airline industry has slowed in recent years. Why? Union-busting campaigns are alive and well—because the current election policy encourages and rewards employer-run voter suppression campaigns. For example, almost 100 percent of Delta flight attendants voted in favor of unionization in 2008. But thanks to Delta's campaign to discourage its employees from voting (the company called it "Give a Rip" and was essentially instructing employees to destroy government-issued ballots), turnout was below 50 percent and the overwhelming support for a union was nullified. Shockingly, the Bush NMB saw no evil in Delta's unlawful conduct and voted 2-1 to refuse to even investigate more than 100 charges of illegal interference and coercion.

Some call our request for fairness an effort to circumvent the law. Nice try. The law does not require that elections be run this way at all. Voting procedures are set by the NMB, which has the authority to change

its policies. In fact, the Supreme Court has said that the law does not require a majority of the entire workforce to vote in union elections for results to be valid.

Airline management is arguing against our request, insisting that “the rules are being changed in the middle of the game” because some union elections may get scheduled on some future date. But there are always going to be potential or expected union elections. For the airlines, it will never be a convenient time to change a status quo that favors them so heavily. But for the workers, who have been facing an unfair standard for decades, change cannot come soon enough.

It's time to let those who actually come out and vote decide the outcome of union elections in the airline and railroad industries. The airlines are essentially arguing against a voting system that has been the law of the land for more than 200 years in American democracy.

## **States likely to shape health reform**

**MANY CHOICES UP TO THEM**

Result may 'depend . . . on where you live'

By Lori Montgomery and Peter Slevin  
Washington Post Staff Writer  
Sunday, November 1, 2009

The debate over whether to let states opt out of any government-run health insurance plan overlooks a key facet of the health-care measures being assembled in Congress: When Washington is done, the shape of any new health-care system is likely to be finalized in Lansing and Boise and Baton Rouge.

Besides the opt-out choice, proposed last week by Senate leaders, health-care legislation being drafted on Capitol Hill would delegate to state officials a multitude of momentous decisions, from what benefits are offered to low-income families to what hurdles to put in front of private insurance companies before they can raise premiums.

"The fact is that state programs are going to look different," said [Judith Solomon](#), a senior fellow at the Center on Budget and Policy Priorities in Washington. "Where some people might be expecting national health reform, we're facing the real possibility that what you get is going to depend heavily on where you live."

The prospect of state control over the new system holds both promise and peril, said Jonathan Gruber, an economist at the Massachusetts Institute of Technology who has advised Democrats on health reform. "The plus side is that states are uniquely positioned to reflect the tastes of their residents and market conditions. Plus, we can really learn from the different approaches states take," he said. The downside "is that states can screw up and not meet . . . minimum standards."

The health-care package unveiled by House leaders Thursday comes closer to national reform, health policy experts said. It would create a national marketplace where those who lack insurance could shop for policies, including a plan designed and administered by federal health officials. States would play a supporting role, helping to design the largest expansion of Medicaid in 40 years and to develop high-risk insurance pools for people in immediate need of

coverage.

## **Delegating decisions**

The package under development in the Senate is a different story. A bill approved by the Finance Committee would leave virtually every major decision to state officials.

Rather than create a central marketplace for insurance, that measure would permit each state to establish its own "exchange" and decide which insurers have access to that market. States could let low-income families shop the exchanges or offer them some other kind of coverage, such as policies already offered to state employees. Under a provision authored by [Sen. Ron Wyden](#) (D-Ore.), states could even bypass the exchange mechanism and try to expand coverage in other ways.

The Finance Committee bill did not include a government insurance option; [Senate Majority Leader Harry M. Reid](#) (D-Nev.) said last week that he would add one before bringing a package to the Senate floor. But to appease Democratic moderates wary of a big new program, the availability of the public option, too, would be subject to state discretion.

Reid's opt-out plan is opposed by [Sen. Olympia J. Snowe](#) (Maine), the only Republican to support the Democratic-led reform effort. Snowe is pushing for a "trigger," which would create a public plan only in states where private insurers failed to offer policies that were broadly affordable.

Given that the Senate presents the larger political hurdle to passing legislation, political analysts expect its state-choice approach to prevail. That means that a White House signing ceremony for a health-reform bill could become a prelude to 50 state legislative battles over how to expand Medicaid, how to set up the exchanges and how to enforce new insurance regulations, as well as whether to give state residents access to a public plan.

"Everybody forgets that you pass the legislation and that's really just the first part. There are years of rulemaking and negotiations and lobbying over the regulations and the implementation," said Joan Henneberry, health policy adviser to Colorado Gov. Bill Ritter (D).

Henneberry and her colleagues across the nation are following congressional negotiations closely, scanning the shifting ground for clues about the role of the states, particularly regarding Medicaid, the state-run health program for the poor that could be expanded to cover as many 15 million additional people. Most, but not all, of the extra money would come from Washington, and states are likely to face myriad other post-reform costs, particularly if they have to hire administrators to run the exchanges.

## **Can they manage it?**

Health policy experts are concerned not only about the ability of the states to shoulder their share of the cost of reform but also about their administrative and analytical capacity.

Some states are well-positioned to manage a new federal program that seeks to cover the uninsured while pressuring doctors and hospitals to deliver care more efficiently. Minnesota, for example, has long offered quality health care at relatively low prices, thanks to nonprofit insurance plans, group health insurance and managed-care programs.

Last week, Minnesota Gov. Tim Pawlenty (R), who is testing the waters for a 2012 presidential run, called a federal public option with an opt-out clause "a bad idea." He stopped short of predicting what his own decision would be, but health experts said it is unlikely to matter for Minnesota residents, given the state's other advantages.

At the other end of the spectrum are states with poor collaboration in the health sector, lax insurance regulations and small, disorganized Medicaid programs, said Alan Weil, executive director of the National Academy for State Health Policy. Because such states also tend to have large populations of uninsured people, they could find the post-reform transition particularly harrowing.

Take Texas, where nearly one in three working adults lacks health insurance, the highest percentage in the nation. Many Texas employers do not offer coverage. And while Texas Medicaid covers about 2 million children, it picks up only 125,000 of their parents, because of an eligibility cap set in 1985 and never adjusted for inflation, according to Anne Dunkelberg of the Texas-based Center for Public Policy Priorities.

Expanding Medicaid eligibility to all adults who earn just a bit more than the federal poverty level, as Congress is proposing, could easily add 1 million people to Texas Medicaid, Dunkelberg said. But the program has huge administrative problems and takes more than three months to sign up some applicants, she said; without federal standards, "these Medicaid expansions could turn out to be an empty promise."

## U.S. carload traffic logs another decline

November 2, 2009

U.S. carload traffic fell 14.8% for the week ended October 24, compared with the same week a year ago, the Association of American Railroads reported. Carloads in the West and the East both were down 14.8% compared with the same period one year ago. Total volume on U.S. railroads for the week ending October 24, 2009 was estimated at 31.1 billion ton-miles, down 13.4%. U.S. intermodal traffic fell 10.1% from a year ago.

Canadian railroads reported carload volume declined 9.9% from last year, while intermodal traffic was down 13%. Mexico's two major railroads reported carload volume slipped 2% from the same week last year, while intermodal slid 6.5%.

Combined North American rail volume for the first 42 weeks of 2009 on 13 reporting U.S.,

Canadian, and Mexican railroads was down 18.4% from the comparable 2008 time span, while intermodal volume fell 16.3% short of last year's levels.

## Railroads post new gains in safety

November 3, 2009

U.S. rail-related fatalities declined 12.4% to a total of 466 in the 12 months ended Aug. 31, according to the Federal Railroad Administration's Office of Safety. Only 12 of these were employee fatalities, down 49.5% from the prior 12-month period.

Trespassing caused 293 deaths, a decline of 8.8%. Highway-rail grade crossing accidents, accountable for 156 lives, also were down 18.3%.

The FRA said 724 large and small reporting railroads recorded 7,019 accidents and incidents in the latest 12-month period, down 18.9% from the prior 12 months.

Train accidents were down 29.1% to 1,222; collisions dropped 28.9% to 91; derailments were off 1.1% to 867. Yard accidents were down 32.7% to 638.

Track causes were blamed for 469 train accidents, down 3.9%; human factors for 412, down 32.2%; signal causes for 28, down 17.8%; and equipment causes for 170, down 17.6%.

## Buffett's big bet: \$34B on 2nd-largest railroad

By SAMANTHA BOMKAMP  
The Associated Press  
Tuesday, November 3, 2009 9:48 PM

NEW YORK -- The biggest name in investing is making what he calls an "all-in wager" on the U.S. economy - \$34 billion to own a railroad that hauls everything from corn to cars across the country.

The acquisition of [Burlington Northern Santa Fe](#), the nation's second-largest railroad, would be the biggest ever for Warren Buffett's Berkshire Hathaway investment company.

It's a natural fit for the Oracle of Omaha, a city with a special place in railroad history. It was the starting point for the westward push of the transcontinental railroad. Today, Omaha is the headquarters of [Union Pacific](#), and BNSF trains rumble through every day.

In a statement, Buffett, whose investing decisions are carefully scrutinized by the world of finance, voiced confidence in the railroad industry.

"Most important of all, however, it's an all-in wager on the economic future of the United States. I love these bets," he said Tuesday.

Berkshire Hathaway Inc. already owns a 22 percent stake in Burlington Northern and would buy up the rest under the deal, for a total value of \$34 billion. It still needs approval from Burlington shareholders and antitrust regulators, both expected early next year.

Burlington Northern is the biggest hauler of corn and coal for electricity, making it an indicator of the country's economic health. It also carries everyday items such as refrigerators, clothing and TVs from Western ports like Los Angeles and Seattle.

Berkshire will pay \$100 a share in cash and stock for the rest of the company, more than a 30 percent premium on the Monday closing price of Burlington Northern shares. Shareholders will have the option of a \$100 cash payment per share or common stock in Berkshire.

Burlington Northern Santa Fe Corp. stock shot up \$20.93, or 27 percent, to \$97 on Tuesday. Stock in other rail companies rose as well. Berkshire owns a 2 percent stake in Union Pacific's stock and a less-than-1 percent stake in [Norfolk Southern](#).

Buffett has said he realized a few years late that railroads were an appealing investment. As diesel prices rise, shipping by rail instead of truck becomes more attractive, and it would be extremely difficult for a competitor to build a new railroad.

"They do it in a cost-effective way and extraordinarily environmentally friendly way," Buffett told CNBC on Tuesday. "I basically believe this country will prosper and you'll have more people moving more goods 10 and 20 and 30 years from now, and the rails should benefit. It's a bet on the country, basically."

Burlington Northern made about 31 percent of its money last quarter from shipments of consumer products from the West to major hubs like St. Louis, Kansas City and Chicago.

Its next most important segment was coal, followed by industrial products like farm equipment, lumber and chemicals. It also hauls corn, wheat and soybeans, much of it exported to China. Burlington Northern serves more of the nation's major grain-producing regions than any other railroad.

Burlington Northern also hauls trains full of retail merchandise imported from Asia and imported cars from manufacturers like Toyota and Honda.

Burlington itself, however, is among the least optimistic of the major railroads about the pace of economic recovery. Last week it said third-quarter profit dropped 30 percent from a year earlier; people resisted buying retail goods and industrial production struggled.

Coal shipments to power plants have fallen off sharply because of lower electricity demand. Burlington Northern hauls enough coal to power one out of every 10 homes in the U.S.

Still, the coal hauled by Burlington Northern is mined from places like the Powder River Basin in Wyoming and Montana and is lower in sulfur than the coal in the eastern U.S., making it cleaner and in higher demand these days.

An average Burlington Northern train hauls as much freight as 280 trucks. Rails are also favored by some shippers because they can carry things that can't travel on highways, like hazardous chemicals. Buffett's Berkshire already owns major utilities that rely on coal through its [MidAmerican Energy Holdings Co.](#) Analysts say he is looking for an investment that will reap rewards many years into the future, and isn't so concerned about immediate gains.

The billionaire is "buying at the trough - things aren't going to get much worse. He's getting in at a good time," said Art Hatfield, an analyst with investment firm Morgan Keegan.

Hatfield said he believes Buffett went for Burlington Northern in part because of its strong management team and because Burlington Northern has been more aggressive than its peers in developing new technology, making it more profitable.

Major railroads have been able to slash costs during the recession by cutting jobs, parking railcars, improving train speeds and making other moves that improved efficiency.

Before this, Berkshire's biggest acquisition was the \$16 billion stock purchase of reinsurance giant General Re, announced in 1998. Last fall, he plowed \$5 billion into [Goldman Sachs](#), in a vote of confidence in the financial system.

11/3/2009 Coal Traffic

## **UP's coal train loadings lag again in October**

In October, [Union Pacific Railroad](#) loaded 894 coal trains in the southern Powder River Basin (SPRB) compared with 1,135 trains in October 2008.

On Oct. 16, a loaded coal train derailed 39 cars near Overton, Neb., blocking three mainlines for about two days. In addition, severe winter-like weather conditions on Oct. 29 and 30 between North Platte and the SPRB impacted operations and contributed to several missed train loadings, UP officials said in a [weekly coal loading performance report](#).



All told, there were 138 missed loading opportunities, 59 of which were attributable to the derailment, 57 to utility plants, 20 to mines and two to the joint line shared with BNSF Railway Co. Missed loadings partially were offset by 102 extra loadings, UP said.

Last month, the Class Is also loaded 218 coal trains in the Colorado/Utah region vs. 333 trains in October 2008. On Oct. 7, 30 cars derailed in Dotsero, Colo., blocking a mainline for about two days between Denver and Grand Junction, Colo. In addition to the derailment, loadings were impacted by some mines in the region that continue to deal with coal production problems and lower demand from several plants, UP said.

## **SEPTA strike: transit halted**

**Tuesday, November 03, 2009**

The Philadelphia transit system's largest union went on strike early Tuesday, stalling the city's bus, subway and trolley operations a day after the World Series shifted to New York and forcing commuters to scramble to find other ways to get to their destinations, the Associated Press reports.

The strike by Transport Workers Union Local 234 will all but cripple a transit system that averages more than 928,000 trips each weekday. The union represents more than 5,000 drivers, operators and mechanics of the Southeastern Pennsylvania Transportation Authority.

The Election Day strike also affects buses that serve the suburbs in Bucks, Montgomery, and Chester counties. Regional rail service was still operating, but trains were delayed as they experienced higher-than-normal crowds.

The union membership voted Oct. 25 to authorize a strike. They have been without a contract since March.

Union workers, who earn an average \$52,000 a year, are seeking an annual four percent wage hike and want to keep the current one percent contribution they make toward the cost of their health care coverage. SEPTA was offering an 11.5 percent wage increase over five years, with no raise in the first year and increases in workers' pensions.

## **Senate Clears the Way for Vote on Aid for Jobless Workers**

Posted By [Mike Hall](#) On November 3, 2009 @ 1:27 pm In [Economy](#), [Legislation & Politics](#) | [7 Comments](#)

After weeks of [1] [obstruction](#) by Republican Senate leaders, millions of jobless workers who have or who will soon run out of unemployment insurance (UI) benefits may finally have a chance to grab an economic lifeline in the form of extended UI benefits.

The U.S. Senate yesterday approved a procedural motion that clears the way to a vote on legislation (H.R. 3548) that would provide an additional 14 weeks of benefits to unemployed workers in all states and up to 20 weeks in states with especially high jobless rates.

The Senate could vote as early as tomorrow, but a Thursday vote is more likely. Call your senators today and urge them to take swift action and pass H.R. 3548. You can call the Capitol switchboard (202-224-3121) and ask to be connected to your senators or click [2] [here](#) to find your senators' office numbers.

Since the U.S. House passed its version of the bill Sept. 23, some 7,000 unemployed workers a day have run out of benefits. The long-term jobless rate is at its [3] [highest level](#) since 1981 and more than a million jobless workers will run out of benefits by year's end without action.

Last week, Senate Majority Leader Harry Reid (D-Nev.) said when he attempted to bring the UI bill to the floor shortly after it passed the House,

Republicans decided they would rather fight a partisan fight than help unemployed men and women in their own states. They decided to make a political statement by demanding completely irrelevant amendments, amendments that have absolutely nothing to do with unemployment specifically or even the economy generally. And they decided that that political statement was more important than helping their constituents afford to pay their bills. That's wrong, and it's an outrage.

I am deeply disappointed in the way Republicans have shown a complete lack of regard for the people behind those staggering numbers.

While workers anxiously wait for an average unemployment check of \$292 a week, the same Republican lawmakers who have slowed the bill, are in no hurry to rein in bailed banks that are using billions of taxpayers' dollars to give to their CEOs and other [4] [executives bonuses](#) or to [5] [fight financial industry reforms](#). They have strongly criticized Obama administration efforts to stop the tax-dollar-funded excessive bonuses and other banking reforms.

11/4/2009 Labor

## **NMB's proposed union election rule changes draw support, criticism**

The [National Mediation Board \(NMB\)](#) recently proposed a rule that would reform the union election voting process at railroads and airlines.

The board is proposing to change the threshold for a successful union election from a majority of eligible voters in a classification to a majority of voters who actually participate in an election. The NMB is accepting comments on the proposal until Jan. 4, 2010.

“The board believes that this change to its election procedures will provide a more reliable measure/indicator of employee sentiment in representation disputes and

provide employees with clear choices in representation matters,” NMB members said in a proposed rule change notice.

Several labor organizations expressed support for the proposed rule, including the Teamsters.

The rule would enable workers to choose a union “the same way they choose the president of the United States,” said Teamsters General President Jim Hoffa in a prepared statement.

“This reform brings union elections up to modern standards of democratic election law,” he said. “It gives workers the right to sit out an election if they choose, just as they can sit out the presidential election.”

The AFL-CIO’s Transportation Trades Department also backs the “sensible reforms” because rail and airline workers would obtain “fair union election rules,” said President Edward Wytkind.

If a worker doesn’t vote, it doesn’t mean he or she didn’t want to be represented by a union, he said, adding that workers sometimes sit out union elections because of pressure from company management.

“With this change, never again will workers in these industries seeking to form a union be thwarted by such un-democratic rules,” said Wytkind.

However, the National Right to Work Foundation believes the rule would force unionism at non-union workplaces.

“The proposed change imposes a greater burden on employees who wish to refrain from union membership by forcing them to either take affirmative action to oppose the union or otherwise potentially allow far less than a majority to make that decision for them,” said foundation Vice President Stefan Gleason. “Individual workers should never be forced into union ranks against their will.”

In addition, Reps. John Kline (R-Minn.) and John Mica (R-Fla.) criticized the proposal, questioning the NMB’s limited review process for developing the new policy.

“The proposal to rapidly and radically alter rail and aviation organizing rules at the behest of organized labor adds to a troubling perception that federal agencies have embraced a culture of union favoritism,” said Kline.

The “dramatic change in long-standing union election procedures” would enable a minority of workers to “force unionization upon all workers, including those who are not interested in being represented by a union,” added Mica.

11/5/2009 Labor

## **UTU proposes amendments to national contract**

Earlier this week, the [United Transportation Union \(UTU\)](#) served “Section Six” notices to railroads represented by the [National Carriers' Conference Committee \(NCCC\)](#). The notices include the union’s proposed national contract amendments affecting wages, rules and working conditions.

A national contract between the UTU and NCCC — which covers about 40,000 union members — becomes amendable on Jan. 1, 2010. During the current round of national contract bargaining with the UTU, the NCCC will serve as the chief negotiator for more than 30 U.S. railroads, including the Class I's. CN, Canadian Pacific and Amtrak bargain individually with the UTU.

Among the amendments in its Section 6 notice, the UTU proposes a series of general wage increases every six months beginning Jan. 1, the elimination of a two-tier pay system, cost-of-living wage adjustments, increased meal allowances, and a guarantee that furloughed employees called back to work will be given a minimum of 60 days of work and pay.

Meanwhile, the NCCC served Section Six notices to carmen and clerks represented by the [Transportation Communications Union](#).

The union is finalizing its notices and plans to serve them to the NCCC on Nov. 16, in coordination with several other rail labor unions.

**NOVEMBER 5, 2009, 1:42 PM**

## **Obama Announces Endorsements for Health Care Bill**

**By [Jeff Zeleny](#)**

Doug Mills/The New York Times President Obama appeared at the daily press briefing to discuss the House health care legislation.

[President Obama](#) made a surprise appearance at the daily White House press briefing on Thursday afternoon [to announce](#) that the nation’s leading advocacy group for the elderly as well as the largest doctor’s organization have endorsed the [current health care plan](#) being considered in Congress.

“We are closer to passing this reform than ever before,” Mr. Obama said, adding that he was “extraordinarily pleased and grateful” with endorsements from the [AARP](#) and the [American Medical Association](#).

The president urged members of Congress to consider the viewpoints being offered from two distinct sides of the debate: elderly Americans fearful that a health care overhaul could cut into Medicare, and the nation's doctors and medical professionals.

"The AARP knows this bill will make health care more affordable," Mr. Obama said. "They know it's a good deal for our seniors, and that's why they are standing up for this effort." He added, "The doctors of America know what needs to be fixed with our health care system."

The president did not take questions from reporters or offer his view on the legislation, which is set for a House vote on Saturday. He sought to seize the spotlight on health care on a day when [thousands of people gathered on Capitol Hill to rally against the legislation](#).

Mr. Obama will visit Capitol Hill on Friday to personally lobby for the health care bill.

At the briefing, he said he hoped the endorsements would lend credibility and ease misinformation circulating about the legislation, particularly from the elderly.

"They're endorsing this bill because they know it will strengthen Medicare, not jeopardize it," Mr. Obama said. "They know it will protect the benefits our seniors receive, not cut them."

He added, "I want everybody to remember that the next time you hear the same tired arguments to the contrary from the insurance companies and their lobbyists. And remember this endorsement the next time you see a bunch of misleading ads on television."

Mr. Obama did not directly address the demonstrations. But the White House press secretary, Robert Gibbs, criticized the protests on Capitol Hill, where many attendees were shouting, "Kill the bill! Kill the bill!"

"There is a rally going on without a solution on their side," Mr. Gibbs said.

**American Railcar shipments down 71%**

November 5, 2009

American Railcar Industries, Inc. reported Thursday that it shipped approximately 610 railcars in the third quarter of 2009, compared to 3,120 in the third quarter of 2008, resulting in EBITDA of \$9.1 million and net earnings of \$1.1 million.

“As the weak economy is driving low demand for railcars, we shipped 71% fewer railcars in the third quarter of 2009 as compared to the same quarter of 2008,” said James Cowan, president and CEO of ARI. “The weak railcar market has and will continue to require us to evaluate our production levels at all manufacturing locations and we plan to continue to adjust our workforce and production levels as needed. In addition, we have reduced overhead costs at all manufacturing locations as a result of reduced spending. Our railcar services segment continues to experience strong results with revenues increasing 32% in the third quarter of 2009 compared to the same quarter of 2008. Our balance sheet continues to be strong with \$287.1 million in cash and \$50.1 million in short-term investments.”

For the three months ended Sept. 30, 2009, revenue was \$78.1 million and net earnings were \$1.1 million or \$0.05 per share. This compared with revenue of \$217.2 million and net earnings of \$7.4 million or \$0.35 per share.

For the nine months ended Sept. 30, 2009, revenue was \$345.0 million and net earnings were \$5.0 million or \$0.23 per share. For the corresponding period up last year, revenue was \$605.8 million and net earnings were \$23.8 million or \$1.12 per share.

## **House votes to extend jobless benefits, expand home buyers' tax credit**

\$24 billion bill intended to shore up economy and political support

By Neil Irwin, Dina ElBoghdady and Perry Bacon Jr.  
Washington Post Staff Writer  
Friday, November 6, 2009

Congress gave final approval Thursday for an additional \$24 billion to help the jobless and support the housing market as climbing unemployment poses a growing liability for elected officials.

The bill, passed overwhelmingly by the House and headed to President Obama for his signature Friday, extends unemployment insurance benefits that were due to expire and renews an \$8,000 tax credit for first-time home buyers, while also expanding it to cover many other home purchases.

The legislation represents an effort by Democrats to strengthen the anemic economy. The Senate passed the measure unanimously Wednesday, reflecting the unwillingness to be seen as opposing

measures to stimulate growth even among Republicans who are skeptical of greater government spending.

Despite tentative signs of revival in the economy, unemployment continues to pose a challenge to incumbents. A report due from the Labor Department on Friday morning is expected to show another rise in the jobless rate in October -- possibly into double digits.

Congress and the Obama administration are casting about for policies of limited scale to help buttress the economy. Like the "Cash for Clunkers" program enacted this year to promote auto sales, the latest bill has broad popular support even though economists disagree about its value.

Economists generally support extending unemployment insurance. The bill would prolong benefits for at least 14 weeks for people out of work. The jobless in more than two dozen states where unemployment rates exceed 8.5 percent would receive 20 additional weeks of benefits.

Because unemployed people tend to be strapped for cash, they often spend most if not all of the money they receive as benefits. This in turn tends to give a bigger boost to the wider economy than do many other forms of government spending.

"It's hard to think of any other initiative we can name that is as beneficial to job creation," House Speaker Nancy Pelosi (D-Calif.) said of the unemployment-benefits provision. "Its original purpose is fairness to those workers who have paid into the insurance system, and now they are getting insurance benefits, but it also has an impact as a stimulant."

Benefits for more than 1 million people would have ended without the extension, according to the National Employment Law Project, a nonpartisan group that tracks the issue. More than 15 million Americans are unemployed, more than a third of whom have been out of work for more than six months.

"Given the employment situation and the general bang for the buck you get from unemployment insurance, that's probably the most sensible of the stimulative policies to extend," said Maya MacGuineas, president of the Committee for a Responsible Federal Budget.

More controversial is the decision to extend and expand the program of \$8,000 tax credits for first-time home buyers.

Under the housing program, people buying a home for the first time in three years would receive an \$8,000 tax credit if they sign a contract by April 30 and close by June 30. Homeowners who are buying a new primary residence would be eligible for a \$6,500 tax credit beginning Dec. 1 if they owned their home for five consecutive years in the previous eight.

The timing is more flexible for military families who have been deployed overseas for 90 days or more in 2008 or 2009. They would have until April 30, 2011, to sign a contract.

To qualify, the home must be no more than \$800,000. The program also restricts eligibility to individuals who make no more than \$125,000 annually and couples who make more no more

than \$225,000. Anyone who collects the tax credit but sells the home within three years of buying it must return the refund.

The original tax credit, which was set to expire Nov. 30, has been credited with helping the housing market stabilize by coaxing new buyers into the market. But economists worry that the program distorts the market by artificially inflating home prices and are skeptical about whether the amount of additional economic activity is worth the cost. The program is estimated to cost \$10.8 billion.

"The housing market is going to have to learn to stand on its own two feet," MacGuineas said. "This could misdirect resources into the wrong place."

"It's not a stimulative measure," said Kevin Hassett, director of economic policy at the American Enterprise Institute. "There has been this intuition people have that if you support demand for housing, then home prices will stop plummeting, and that might help stop the panic. But the panic stage seems to be over."

The passage of the tax credit provision was a huge win for the real estate industry, which has been lobbying aggressively to extend and expand the program. Real estate trade groups say the credit has helped boost sales and clear out a glut of lower-priced homes, especially foreclosures. Ending it would be a blow to the housing market's recovery.

Another provision allows businesses that had operating losses in 2008 and 2009 to seek refunds for taxes paid on profits over the past five years. The hope is that those refunds will allow businesses more flexibility to retain employees or make new investments to bolster the economy in the future.

The bill had been delayed for weeks as the two parties debated a number of issues not directly related to the provisions. Republicans unsuccessfully tried to force a vote on the bill to attach a provision to end the Troubled Assets Relief Program that was part of last year's effort to aid troubled financial firms.

*(The unemployment extension also covers rail workers under a special provision of the Bill)*

**Breaking News Alert**  
**The New York Times**  
**Fri, November 06, 2009 -- 8:32 AM ET**

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U.S. Jobless Rate Hit 10.2% in October, Highest in 26 Years, as Employers Cut Payrolls by 190,000

The United States economy shed 190,000 jobs in October, and the unemployment rate crept to a 26-year high of 10.2 percent, up from 9.8 percent in September, the Department of Labor said Friday in its monthly economic appraisal.



11/6/2009 Labor

## **BNSF, BLET reach tentative accord**

[BNSF Railway Co.](#) and the [Brotherhood of Locomotive Engineers and Trainmen](#) (BLET) reached a tentative agreement to settle wage and work rule matters concerning BNSF's locomotive engineers for the major round of collective bargaining that will begin Jan. 1, 2010.

The agreement would settle wage and work rule issues through Dec. 31, 2014. Health and welfare issues will be addressed in upcoming industry-wide negotiations.

The pact affords a general wage increase in each contract year while also "reflecting today's economic realities," according to a BNSF statement.

"The agreement is not all we wanted, no agreement ever is, but in this time of economic troubles and hardship, it is an honor for me and for the four BLET general chairmen to be

able to present to our members a proposal that gives them the security of a five-year agreement, additional income and additional time off without a single giveback or rule change," said Stephen Speagle, a BLET vice president.

Added BNSF VP of Labor Relations John Fleps: "In both 2003 and 2007, BLET and BNSF worked successfully to develop innovative compensation arrangements and progressive work rules that have done much to position our company and locomotive engineers to reap the benefits of new technology and generally share in a strong future," Fleps said. "We are pleased to build on those accomplishments, again partnering with BLET in advancing our mutual interests, especially during this period of economic uncertainty and challenge."

11/6/2009 Traffic

## **AAR weekly report: North American rail traffic ends October with a thud**

U.S. railroads ended October with another tough week on the traffic front. During the week ending Oct. 31, they originated 275,439 carloads, down 13.7 percent and 18.2 percent compared with carloads from the same period in 2008 and 2007, respectively, according to the [Association of American Railroads](#) (AAR).

U.S. roads' intermodal volume totaled 203,860 containers and trailers, down 15.5

percent from the year-ago period and 14.5 percent from 2007's level.

During the week ending Oct. 31, Canadian railroads originated 71,023 carloads, down 8.7 percent, and 42,869 intermodal loads, down 12.2 percent compared with totals from the same 2008 period. Mexican railroads reported 12,952 cars, down 17.2 percent, and 7,087 containers and trailers, down 0.5 percent.