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

NEWS CLIPS

November 20, 2009

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Intermodal “improvement” softens traffic downtrend in latest week

November 16, 2009

U.S. freight carload traffic registered yet another decline during the week ended November 7, down 12.2% compared with comparable Week 44 of a year ago, the Association of American Railroads reported. Traffic also was down 19.6% from the comparable week in 2007. But U.S. intermodal traffic, though slipping 12.2% from a year ago, “showed incremental improvement from Week 43,” AAR noted.

Total volume on U.S. railroads for the week was 31 billion ton-miles, down 11.5% from 2008 and 14.7% from 2007. Four of 19 carload freight commodity groups gained ground, including grain (up 10%), nonmetallic minerals (up 2.8%), grain mill products (up 2.4%), and waste and scrap metal (up 1.6%).

Canadian railroads reported carload traffic fell 3.6% from the comparable week in 2008, while intermodal plunged 10% from a year ago. Mexico’s two major railroads reported carload traffic down 10.1% from the same week last year, with intermodal slipping a more modest 2.5%.

Combined North American rail volume for the first 44 weeks of 2009 on 13 reporting U.S., Canadian, and Mexican railroads was down 18.1% from last year, while intermodal fell 16% from 2008 levels.

Short line operator seeks to lease NS line in West Virginia

November 16, 2009

The Charleston, Blue Creek & Sanderson Railway Co. (CB&SR) has asked the Surface Transportation Board for authority to lease and operate two Norfolk Southern lines totaling 30.6 miles in West Virginia. The lines run approximately from Charleston to Morris Fork and from Falling Rock to Blue Creek.

NS will retain operating rights for access to a potential future interchange with the Elk River Railroad.

CB&SR said its projected revenue would qualify it as a Class III carrier. The earliest the transaction may be consummated is Nov. 27, according to the STB.

November 16, 2009

Drug Makers Raise Prices in Face of Health Care Reform

By DUFF WILSON

Even as drug makers promise to support Washington’s health care overhaul by shaving $8 billion a year off the nation’s drug costs after the legislation takes effect, the industry has been raising its prices at the fastest rate in years.

In the last year, the industry has raised the wholesale prices of brand-name prescription drugs by about 9 percent, according to industry analysts. That will add more than $10 billion to the nation's drug bill, which is on track to exceed $300 billion this year. By at least one analysis, it is the highest annual rate of inflation for drug prices since 1992.

The drug trend is distinctly at odds with the direction of the Consumer Price Index, which has fallen by 1.3 percent in the last year.

Drug makers say they have valid business reasons for the price increases. Critics say the industry is trying to establish a higher price base before Congress passes legislation that tries to curb drug spending in coming years.

"When we have major legislation anticipated, we see a run-up in price increases," says Stephen W. Schondelmeyer, a professor of pharmaceutical economics at the University of Minnesota. He has analyzed drug pricing for AARP, the advocacy group for seniors that supports the House health care legislation that the drug industry opposes.

A Harvard health economist, Joseph P. Newhouse, said he found a similar pattern of unusual price increases after Congress added drug benefits to Medicare a few years ago, giving tens of millions of older Americans federally subsidized drug insurance. Just as the program was taking effect in 2006, the drug industry raised prices by the widest margin in a half-dozen years.

"They try to maximize their profits," Mr. Newhouse said.

But drug companies say they are having to raise prices to maintain the profits necessary to invest in research and development of new drugs as the patents on many of their most popular drugs are set to expire over the next few years.

"Price adjustments for our products have no connection to health care reform," said Ron Rogers, a spokesman for Merck, which raised its prices about 8.9 percent in the last year, according to a stock analyst's report.

This year's increases mean the average annual cost for a brand-name prescription drug that is taken daily would be more than $2,000 — $200 higher than last year, Professor Schondelmeyer said.

And this means that the cost of many popular drugs has risen even faster. Merck, for example, now sells daily 10-milligram pills of Singulair, the blockbuster asthma drug, at a wholesale price of $1,330 a year — $147 more than last year. Singulair is now selling at retail, on drugstore.com, for nearly $1,478 a year.

The drug companies "can charge what they want — it's not fair," Eric White, the 42-year-old owner of a small jewelry store in Queens, said as he left a pharmacy recently.

Despite having drug insurance, Mr. White says he now pays $110 a month out of pocket for two brand-name allergy medicines, even as he has cut prices in his jewelry store by at least 40 percent to keep customers coming through the door.

He shook his head. “What can I do?” he said. “I need my medicines.”

The drug industry has actively opposed some of the cost-cutting provisions in the House legislation, which passed Nov. 7 and aims to cut drug spending by about $14 billion a year over a decade.

But the drug makers have been proudly citing the agreement they reached with the White House and the Senate Finance Committee chairman to trim $8 billion a year — $80 billion over 10 years — from the nation’s drug bill by giving rebates to older Americans and the government. That provision is likely to be part of the legislation that will reach the Senate floor in coming weeks.

But this year’s price increases would effectively cancel out the savings from at least the first year of the Senate Finance agreement. And some critics say the surge in drug prices could change the dynamics of the entire 10-year deal.

“It makes it much easier for the drug companies to pony up the $80 billion because they’ll be making more money,” said Steven D. Findlay, senior health care analyst with the advocacy group Consumers Union.

Name-brand prices have risen even as prices of widely used generic drugs have fallen by about 9 percent in the last year, Professor Schondelmeyer said. But name brands account for 78 percent of total prescription drug spending in this country. And as long as a name-brand drug still has patent protection it faces no price competition from generics.

Ken Johnson, senior vice president of the industry association — the Pharmaceutical Research and Manufacturers of America — criticized the analysis Professor Schondelmeyer had conducted for AARP, saying it was politically motivated.

“In AARP’s skewed view of the world, medicines are always looked at as a cost and never seen as a savings — even though medicines often reduce unnecessary hospitalization, help avoid costly medical procedures and increase productivity through better prevention and management of chronic diseases,” he said.

But Professor Schondelmeyer’s analysis — which found prices for the name-brand drugs most widely used by the Medicare population rising by 9.3 percent in the last year, the fastest rate since 1992 — is in line with the findings of a leading Wall Street analyst, too. The report was released on Monday.

Catherine J. Arnold, a drug industry analyst at Credit Suisse, said her latest study of the nation’s eight biggest pharmaceutical companies showed markedly similar results: list prices rising an average of 8.7 percent in the 12 months ending Sept. 30 — the highest rate of growth since at least 2004.

As does Professor Schondelmeyer, Ms. Arnold based her price calculations on reported wholesale prices and a formula that puts more emphasis on each company’s best-selling drugs.

Ms. Arnold said the prospect of cost containment under health care reform, as well as the tougher business environment, entered into the decisions of manufacturers to raise prices this year.

The industry stands to gain about 30 million customers with drug insurance from the legislation pending in Congress. But the industry also faces the prospect of tougher negotiations from both public and private buyers as the government tries to squeeze savings out of the health system.

"If you're going to take price increases," Ms. Arnold said, "here and now might be the place to do that, because the next year and the year after that might be tough."

Mr. Johnson did not dispute the Credit Suisse study or deny Ms. Arnold's finding that American drug makers have raised prices at the fastest rate in five years.

He said both studies were incomplete by failing to include rebates that drug makers give distributors. But Ms. Arnold, Professor Schondelmeyer and a 2007 Congressional study of Medicare said the rebates often accrue to the middlemen, not consumers, and higher manufacturer prices lead to higher retail prices.

And the drug industry's own major consulting firm, IMS Health, has also reported a significant run-up in prices. Back in April, IMS predicted that United States drug sales might actually decline this year.

Billy Tauzin, president of the industry's trade association, highlighted the gloomy prediction in a June 1 letter to President Obama shortly before striking the deal to cut drug costs by $80 billion. In negotiating the deal, the drug makers argued that they could not afford to give up more than that.

But in October, IMS made an unusual change in the middle of its forecasting cycle, saying it now believed United States sales would grow at least 4.5 percent in 2009 — or $21 billion more than expected six months earlier.

A major reason, IMS said, was higher-than-expected price increases for drugs in the United States.

Buffett predicts economic comeback in 2012

November 17, 2009

In a rare media interview, Berkshire Hathaway, Inc. chief Warren Buffett told television's Charlie Rose that while Berkshire's own businesses (including BNSF Railway) have seen the bottom of the recession, the national economy isn't likely to register a comeback for two more years.

As Reuters noted in reporting the interview, the world's second-richest investor "made a big bet on the U.S. economy" when Berkshire agreed to pay about $26.4 billion for the shares of BNSF (about 77%) not already in its portfolio.

Buffett expressed concern about the rising national deficit.

“In the end, Congress is the one that determines the value of the dollar over time. If they follow policies that require us printing too much of it, monetizing debt and all that sort of thing, dollars will become worth a lot less,” he cautioned. “They've got to raise taxes now that income will go up as the recession ends anyway, but they're going to have to close the gap between expenditures,” he also said. “We cannot keep running fiscal deficits like we are currently without having a lot of consequences over time.”

November 17, 2009

Work-Related Injuries Underreported

By STEVEN GREENHOUSE

Employers and workers routinely underreport work-related injuries and illnesses, calling into question the accuracy of nationwide data that the Occupational Safety and Health Administration compiles each year, the Government Accountability Office said Monday.

The report, by the G.A.O., the auditing arm of Congress, said many employers did not report workplace injuries and illnesses for fear of increasing their workers’ compensation costs or hurting their chances of winning contracts.

The report also said workers did not report job-related injuries because they feared being fired or disciplined and worried that their co-workers might lose rewards, like bonuses or steak dinners, as part of safety-based incentive programs.

“The widespread underreporting so clearly documented in this report is undermining the health and safety of American workers,” said Senator Tom Harkin, Democrat of Iowa and chairman of the Health, Education, Labor and Pensions Committee. “If we don’t know the full extent of the workplace hazards workers face, we cannot fully address these risks.”

Mr. Harkin was one of the Congressional leaders who requested the report.

In response to the report, which examined OSHA’s audits from 2005 to 2007, the safety administration said it would adopt the accountability office’s recommendations, which include requiring inspectors to interview employees during all audits to check the accuracy of employer-provided injury data.

The accountability office noted that the rate of workplace injuries — there were 4 million in 2007, including 5,600 fatalities — has declined fairly steadily since 1992, which OSHA attributed to improvements in workplace safety and the decline in the number of manufacturing jobs.

But the G.A.O. report cited several academic studies that found that OSHA data failed to include up to two-thirds of all workplace injuries and illnesses.

The report noted that because of OSHA's "sole reliance on employer-reported injury and illness data" in one of its major surveys, "some academic studies have reported that the survey may undercount the total number of workplace injuries and illnesses."

The accountability office also found that more than a third of the occupational health practitioners it surveyed said that employers or workers had pressured them to provide insufficient medical treatment to hide or play down work-related injuries or illnesses.

The safety and health administration requires employers with more than 10 workers to record every work-related injury or illness that results in lost work time or medical treatment other than first aid. Some occupational health practitioners say that to avoid recording an injury, some employers will try to limit treatment for a serious injury to just first aid.

In other cases, the practitioners said, employers might seek alternative diagnoses if the initial diagnosis would result in a recordable injury or illness.

One manager took an injured worker to several medical providers until the manager found one who would certify that treatment required only first aid, thus making it an injury that did not have to be recorded, one practitioner told researchers, according to the report. Many employers fear that reporting numerous injuries will prompt a full-scale OSHA inspection.

The accountability office said that 53 percent of health practitioners had reported experiencing pressure from company officials to play down injuries or illnesses, and that 47 percent had reported experiencing this pressure from workers.

"This report confirms that when it comes to the documenting of workplace injuries, we can't just take employers at their word," said Senator Patty Murray, Democrat of Washington and chairwoman of the Subcommittee on Employment and Workplace Safety. "The system, to this point, has been all too easy to game."

According to the G.A.O. report, 67 percent of the 1,187 occupational health practitioners surveyed had reported observing worker fear of disciplinary action for reporting an injury or illness, and 46 percent said this fear had some impact on the accuracy of employers' injury and illness records.

One reason workers fail to report injuries, the report said, was that their employers required drug testing after incidents resulting in reported injuries or illnesses, regardless of any evidence of drug use.

The report also questioned employers' safety incentive programs, which reward workers when their worksites have few recordable injuries or illnesses.

While these programs can promote safe behavior, the report said three-quarters of health practitioners said they believed that workers sometimes avoided reporting work-related injuries and illnesses as a result of these programs because they feared that doing so would cause them or their co-workers to miss the chance of winning prizes.

11/18/2009

Sorrow becomes BLET 22nd president

Yesterday, the Brotherhood of Locomotive Engineers and Trainmen (BLET) announced it appointed Paul Sorrow national president, making him the 22nd chief executive of North America' oldest rail labor union. He had served as acting national president since Oct. 15, when former BLET National President Edward Rodzwicz took a leave of absence after the U.S. Justice Department charged him with bribery in connection with a designated legal counsel. Rodzwicz now has resigned and plans to retire.

Sorrow had served as first vice president since April 2008. He previously was a BLET VP for about 17 years and was chief of staff at the union's national division headquarters for several years in the mid-1990s. Sorrow also previously served a six-year stint as chairman of the CSX Transportation Eastern Lines General Committee of Adjustment, and was a vice general chairman for the Eastern Lines GCA and a local chairman in Abbeville, S.C.

He began is railroading career in 1965 with the Seaboard Air Line Railroad, became a locomotive engineer a year later and joined the union in 1972.

Composers and lyricists make pitch to join Teamsters

November 18, 2009

Seeing demand for movie and TV music growing and take-home pay shrinking, about half of a group of 400 sign up to band together with an unlikely ally.

David Carbonara has a gig many of his peers would covet: He writes music for the critically acclaimed AMC show "Mad Men."

A former jazz trombonist, Carbonara loves his job and is grateful for the work. Yet even after he labors on 13 episodes for a full year, he says he won't earn enough to support his family. A one-hour basic cable TV show like "Mad Men" pays $7,000 to $13,000 an episode, but at least half of that goes toward hiring musicians, paying for studio time, copying music and other costs that composers like Carbonara increasingly absorb as studios look to lower their expenses.

"You have to work 26 shows in a year to earn a living," said Carbonara, a graduate of the Berklee College of Music in Boston who recently began work on an ABC drama without any idea as to when, or how much, he would be paid. "People don't understand what we go through."

Unlike most other workers in Hollywood, Carbonara can't complain to a union about his pay rate or working conditions. That's because he doesn't have one.

In a heavily unionized industry, composers and lyricists are an anomaly in Hollywood. Along with production assistants, theirs are among the few remaining crafts not covered by a union contract.

Although conductors and orchestra musicians are covered by the American Federation of Musicians, composers and lyricists for television and movies are not represented by the AFM or anyone else. A group of them is determined to change that and is hooking up with an unlikely ally: the Teamsters.

About 400 composers and lyricists met in Burbank this week for an "information meeting" about joining Local 399. Artsy composers and lyricists would seem to have little in common with the brawny Teamsters, better known for representing studio drivers, location managers and, most recently, casting directors.

The tunesmiths had tried to join the Writers Guild of America a few years ago, but the union was then preoccupied with organizing workers in the animation and reality-TV sectors, and it suggested to its writing cousins that they approach the Teamsters, who are regarded as having more bargaining clout than the AFM.

"We are here to take advantage of a once-in-a-generation chance to rebuild our community and to redress the long-term health of our individual selves, our community and the craft of music for television and motion pictures," Alan Elliott, a veteran composer and one of the key organizers of the union push, told his peers Monday night.

The Society of Composers and Lyricists, a nonprofit trade group that represents 1,200 composers and lyricists in the industry but does not have the authority to negotiate contracts, has not taken a position on the union drive.

Some composers and lyricists acknowledge that the proposed marriage with the Teamsters might appear odd. "We thought of the Teamsters like Jimmy Hoffa and crooked noses," said James DiPasquale, a former president of the Society of Composers and Lyricists and a longtime TV music composer.

"We're artists. Why do we want to be with that? We realized this is not your father's Teamsters anymore."

Although some at Monday's meeting questioned the timing of the effort and whether it would succeed, half of those in attendance signed cards to join the Teamsters, the beginning of a process that could take at least a year. Two-thirds of working composers must agree to join the union before the Teamsters will take up their case. If employers dispute the claim, the matter could ultimately go to the National Labor Relations Board.

The board had previously determined, in 1984, that composers were "independent contractors," blocking efforts to revive the former Composers and Lyricists Guild of America, which negotiated contracts in the 1950s and 1960s but dissolved after a disastrous strike in 1971 and a protracted and costly lawsuit by composers seeking greater control over their music.

"This is not going to be easy, but these people make such an important contribution to the making of motion pictures and television shows, and what are they asking for?" said Steve Dayan, business agent for Teamsters Local 399. "What everyone else gets on the set: health and welfare benefits and some sort of minimum pay standard and some basic working conditions."

The Alliance of Motion Picture and Television Producers, which negotiates labor contracts on behalf of the Hollywood studios, declined to comment.

Although demand for music has actually grown in the last three decades, since synthesizers and later computer technology have made it much easier to score music, composers and lyricists are taking home less money as a consequence of shrinking music budgets and a change in how they are paid.

The average amount of music in a one-hour prime-time TV show has doubled from 15 to 30 minutes per episode over the last three decades. But the total music budget per episode has been cut by more than 50% to $14,000 from $35,000, Elliott said.

Compounding matters has been the rise of so-called packages that became more pervasive in the 1980s and 1990s, in which studios began to ask composers to cover costs they previously absorbed, dramatically shrinking their take-home pay.

That has made it tougher for composers to earn a living in the business, says Alf Clausen, composer and songwriter for "The Simpsons," who says the show is one of "the few remaining TV shows that picks up all of my costs and that treats composers with that old-time dignity. . . . I'm more worried about my son and all the young composers out there."

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November 19, 2009

Senate Says Health Plan Will Cover Another 31 Million

By ROBERT PEAR and DAVID M. HERSZENHORN

WASHINGTON — Democratic leaders in the Senate on Wednesday unveiled their proposal for overhauling the health care system, outlining legislation that they said would cover most of the uninsured while reducing the federal budget deficit.

Senator Harry Reid of Nevada, the majority leader, said at an evening news conference that the legislation, embodying President Obama's signature domestic initiative, would impose new regulations on insurers, extend coverage to 31 million people who currently do not have any and add new benefits to Medicare.

Mr. Reid said the bill, despite a price tag of $848 billion over 10 years, would reduce projected budget deficits by $130 billion over a decade because the costs would be more than offset by new taxes and fees and by reductions in the growth of Medicare.

Democrats expressed confidence that they would have the votes needed to move forward when the legislation hits its first test in the Senate, probably later this week. To get past that first procedural hurdle, Mr. Reid will need the votes of all 58 Democratic senators and the two independents aligned with them.

That vote would clear the way for what is sure to be an unpredictable roller-coaster ride of a debate on the Senate floor through much of December. Earlier this month the House passed its version of the health care legislation.

Republicans have vowed to fight the legislation at every turn, saying it represents a dangerous expansion in the role of government that would increase taxes and insurance costs for millions of people. "It's going to be a holy war," said Senator Orrin G. Hatch, Republican of Utah.

Under Mr. Reid's bill, the government would establish a new public insurance plan, which would compete with private insurers. States could opt out of the public plan by passing legislation.

In one last touch on Wednesday, Mr. Reid and his aides finally named the bill that he wrote over the last few weeks, selecting parts of bills previously adopted by two Senate committees. It is called the Patient Protection and Affordable Care Act. "This legislation is a tremendous step forward," Mr. Reid said. "It saves lives, saves money and will make Medicare stronger."

Though broadly similar to the House bill, Mr. Reid's proposal differs in important ways. It would, for example, increase the Medicare payroll tax on high-income people and impose a new excise tax on high-cost "Cadillac health plans" offered by employers to their employees.

Mr. Reid's bill would not go as far as the House bill in limiting access to abortion. And while he would require most Americans to obtain health insurance, he would impose less stringent penalties on people who did not comply.

Many provisions of Mr. Reid's bill, including the creation of insurance markets, or exchanges, would take effect in 2014, a year later than similar provisions of the House bill. The delay is intended primarily to reduce the cost of the legislation.

Both bills would create a voluntary federal program to provide long-term care insurance and cash benefits to people with severe disabilities.

Desperately seeking money to pay for the legislation, Mr. Reid came up with a new source of financing: a 5 percent tax on elective cosmetic medical procedures. The tax would be paid by patients, but collected by doctors and clinics and forwarded to the government.

The tax would be calculated as 5 percent of the amount paid for an elective cosmetic procedure, whether by the patient, insurance or other sources. The tax would not apply to cosmetic surgery for people with congenital abnormalities, disfiguring diseases or traumatic injuries.

The official cost analysis released by the nonpartisan Congressional Budget Office shortly after 11 p.m. showed that Mr. Reid’s bill came in under the $900 billion goal suggested by Mr. Obama. But 24 million people would still be uninsured in 2019, the budget office said. About one-third of them would be illegal immigrants.

The Congressional Budget Office has said the House bill would reduce deficits by $109 billion over 10 years and cover 36 million people, but still leave 18 million uninsured in 2019.

Republicans and some independent budget analysts said, however, that the savings might not be fully achieved because they were based on unrealistic assumptions about a sustained increase in the productivity of health care providers and much slower growth in Medicare spending.

Rahm Emanuel, the White House chief of staff said Mr. Reid’s bill was impressive. It “meets the president’s objectives, provides protection from insurance companies, contains true cost controls and extends coverage to working families,” Mr. Emanuel said.

Senate Democratic leaders were still trying frantically on Wednesday to nail down a few of the 60 votes needed to begin debate on the legislation.

Vice President Joseph R. Biden Jr. and Interior Secretary Ken Salazar, both former senators, were on Capitol Hill, trying to help Mr. Reid round up votes.

The proposed tax on “Cadillac health plans” is among the most contentious provisions of the bill.

Under the Finance Committee bill, the government would have levied a 40 percent tax on the value of insurance exceeding $8,000 for individual coverage and $21,000 for family coverage, with some exceptions.

Under Mr. Reid’s bill, the tax would kick in at higher thresholds, $8,500 for individuals and $23,000 for families.

Some economists say the tax could slow the growth of health spending by encouraging employers to pare back health benefits. Many labor unions oppose the tax, saying it would hit many middle-income workers who have sacrificed wage increases to secure or retain health benefits.

The proposed increase in the Medicare payroll tax is another major new feature of Mr. Reid's bill. Under current law, employers and employees each pay a tax equal to 1.45 percent of wages. Mr. Reid would increase the rate to 1.95 percent for individuals with annual incomes over $200,000 and couples over $250,000. The tax on employers would be unchanged.

Senate Democratic aides said the payroll tax increase would raise $54 billion over 10 years.

By contrast, the main source of new revenue in the House bill is a surtax on high-income people. The tax would be 5.4 percent of adjusted gross income exceeding $1 million for couples and $500,000 for individuals.

Mr. Reid's bill would also raise revenue by levying annual fees on health insurance companies and pharmaceutical manufacturers. The Finance Committee would have imposed fees of $4 billion a year on manufacturers of medical devices, but Mr. Reid decided to cut those fees by half.

Under the bill, most people would be required to carry insurance. A person without insurance could be required to pay a financial penalty, starting at $95 in 2014 and rising to $750 in 2016, with a maximum of $2,250 for a family.

The Senate bill would not explicitly require employers to offer health insurance coverage. But if an employer with more than 50 employees does not offer coverage and if any worker qualifies for a federal subsidy, the employer would have to pay a penalty, typically $750 for each of its employees.

Train crew employment up 1.07% in month

November 19, 2009

U.S. Class I railroads employed 57,198 transportation (train and engine) workers in mid-October, an increase of 1.07% from September, though still 15.27% below October 2008 numbers. The month-to-month increase in train crew workers was one of the few bright spot in new employment figures released Wednesday by the Surface Transportation Board.

Only one other employment group showed a month-to-month increase: professional and administrative numbers, totaling 13,614, were up 0.63% from September and 1.37% from October 2008.

Total Class I employment in October--149,020--was down 0.27% from September and 9.15% from October 2008.

Other employment categories posted the following declines compared with September 2009 and October 2009, respectively: executives, officials, and staff assistants (9,101), down 1.01% and 9.84%; maintenance of way and structures (34,622), down 1.36% and 3.96%; maintenance of equipment and stores (28,121), down 0.72% and 7.22%; transportation other than train and engine (6,364), down 2.32% and 4.06%.

Class I rail traffic up slightly in latest week

November 20, 2009

The Association of American Railroads Thursday reported a "slight improvement" in both carload and intermodal traffic on U.S. Class I railroads for the week ended Nov. 14. Rail carloads were up 2.3% from the previous week, and intermodal wasup 0.6%.

Compared with a year ago, however, traffic was still down. U.S. railroads reported originating 281,218 carloads for the week, down 8.9% from the corresponding week in 2008 and down 17% from the same week in 2007. Intermodal traffic totaled 208,056 trailers and containers, down 7.7% from a year ago and down 15% from 2007.

While 13 of the 19 carload commodity groups were down from last year, there were increases in nonmetallic minerals (19%), grain (16.1%), chemicals (8.5%), waste and scrapmetal (6.6%), food and kindred products (3.6%), and grain mill products (1.7 %). Declines ranged from 0.1% for motor vehicles and equipment to 51.7% for metallic ores.

Total volume on U.S. railroads for the week ending Nov. 14 was estimated at 31.6 billion ton-miles, down 7.9% from last year and down 11.2% from 2007.

Canadian railroads reported volume of 71,802 cars for the week, up 0.9% from last year, and 41,443 intermodal units, down 10.9%. Mexican railroads reported originated volume of 12,721 cars, up 1.3% from last year, and 6,775 trailers or containers, down 2.8%.

Combined North American rail volume for the first 45 weeks of 2009 on 13 reporting U.S., Canadian, and Mexican railroads totaled 15,357,248 carloads, down 17.9% from last year, and 10,681,718 trailers and containers, down 15.9%.

November 22, 2009

Senate Votes to Open Health Care Debate

By DAVID M. HERSZENHORN and ROBERT PEAR

WASHINGTON — The Senate voted on Saturday to begin full debate on major health care legislation, propelling President Obama's top domestic initiative over a crucial, preliminary hurdle in a formidable display of muscle-flexing by the Democratic majority.

"Tonight we have the opportunity, the historic opportunity to reform health care once and for all," said Senator Max Baucus, Democrat of Montana, and a chief architect of the legislation.

“History is knocking on the door. Let’s open it. Let’s begin the debate.”
The 60-to-39 vote, along party lines, clears the way for weeks of rowdy floor proceedings that will begin after Thanksgiving and last through much of December.
The Senate bill seeks to extend health benefits to roughly 31 million Americans who are now uninsured, at a cost of $848 billion over 10 years.
The House earlier this month approved its health care bill by 220 to 215, with just one Republican voting in favor. That measure is broadly similar to the Senate legislation, but there are some major differences that would have to be resolved before a bill could reach Mr. Obama, and that would almost surely push the process into next year.
As the Democrats succeeded Saturday in uniting their caucus by winning over the last two holdouts, big disagreements remained, making final approval of the bill far from certain.
Two reluctant Democratic senators, Mary L. Landrieu of Louisiana and Blanche Lincoln of Arkansas, warned that their support for a motion to open debate did not guarantee that they would ultimately vote for the bill. Their remarks echoed previous comments by several other senators, including Ben Nelson, Democrat of Nebraska, and Joseph I. Lieberman, independent of Connecticut.
Those comments made clear that more horse-trading lies ahead and that major changes might be required if the bill is to be approved. And it suggested that the Senate majority leader, Harry Reid of Nevada, who relied only on members aligned with his party to bring the bill to the floor, may yet have to sway one or more Republicans to his side to get the bill adopted.
The Senate Republican leader, Mitch McConnell of Kentucky, said his party’s opposition would persist. “The battle has just begun,” he said.
In a rare ceremonial gesture reserved for major votes, senators cast their yeas and nays from their desks in the chamber, each one rising to voice his or her position. Senator George V. Voinovich, Republican of Ohio, was not present and did not vote.
After the vote, Mr. Reid said he understood that Ms. Landrieu was already working with two other Democratic senators, Thomas R. Carper of Delaware and Charles E. Schumer of New York, to see if they could devise a public insurance plan with broad appeal.
The White House issued a statement praising the vote. “The President is gratified that the Senate has acted to begin consideration of health insurance reform legislation,” his press secretary, Robert Gibbs, said, adding that President Obama “looks forward to a thorough and productive debate.”
Mrs. Lincoln, who faces a tough re-election campaign next year and has in recent weeks been the target of millions of dollars in television advertising by both sides in the health care fight, said pointedly that she would not vote for the measure if it retained a government-run health insurance plan, known as the public option, to compete with private insurers. “Although I don’t agree with everything in this bill, I believe it is more important that we begin debate on how to

improve the health care system for all Americans," said Mrs. Lincoln, who was the last uncommitted Democrat, and whose speech, at about 2:30 p.m. Saturday, lifted a cloud of suspense that had hovered around the Capitol.

She added: "But let me be perfectly clear. I am opposed to a new government-administered health care plan as a part of comprehensive health insurance reform, and I will not vote in favor of the proposal that has been introduced by leader Reid as it is written." But Senator Lieberman, who voted to take up the health care bill, said he was still staunchly opposed to a government-run plan. It is "a terrible idea," he said.

Ms. Landrieu, whose support came after she won a provision that could be worth more than $100 million in additional federal aid for her financially troubled state, said, "I have decided there are enough significant reforms and safeguards in this bill to move forward, but much more work needs to be done."

A parade of Democrats and Republicans spent Saturday laying out their arguments for and against the bill in floor speeches.

Mr. Reid, in a rousing closing speech given at his customary volume, which is barely audible, likened the health care bill to some of the most profound issues confronted by the Senate across history.

"Imagine if instead of debating either of the historic G.I. Bills — legislation that has given so many brave Americans the chance to brave college — if this body had stood silent," Mr. Reid said. "Imagine if instead of debating the bills that created Social Security or Medicare, the Senate's voices had been stilled. Imagine if instead of debating whether to abolish slavery, instead of debating whether giving women and minorities a right to vote, those who disagreed were muted, discussion was killed."

With the Democrats nominally controlling 60 votes — the precise number needed to overcome the Republican attempt to stop the bill — the vote on Saturday evening was the biggest test yet of the Democrats' resolve and of Mr. Reid's ability to unite his fragile caucus. Mr. Reid faces a tough re-election fight next year.

The bill would expand health benefits by broadly expanding Medicaid, the federal-state insurance program for low-income people, and by providing subsidies to help moderate-income people buy either private insurance or coverage under a new government-run plan, the public option. And it would impose a requirement that nearly all Americans obtain insurance or pay monetary penalties for failing to do so.

According to the Congressional Budget Office, the cost of the legislation would be more than offset by new taxes and fees and reductions in government spending, so that the bill would reduce future federal budget deficits by $130 billion through 2019.

Mr. Reid accused Republicans who opposed the legislation of "living in a different world." He and several other Democrats also used their speeches to assail perceived abuses by private insurers. “The health insurance industry has an insatiable appetite for more profit,” Mr. Reid said.

Senate Republicans countered with an impassioned denunciation of the measure as an ill-conceived budget-busting expansion of government and a threat to the health and economic security of all Americans, especially the elderly.

The Republicans sought to portray the vote on Saturday — on whether to end debate on a motion to bring up the health bill — as tantamount to a vote on the bill itself, and to shake the confidence of Democrats who had wavered in recent days.

In his closing argument, just ahead of the vote, Mr. McConnell implored at least a single Democrat to vote no. “If we don’t stop this bill tonight,” he said, “the only debate we’ll be having is about higher premiums, not savings for the American people, higher taxes instead of lower costs, and cuts to Medicare rather than improving seniors’ care.”

“The American people are looking at the Senate tonight; they’re hoping we say no to this bill,” Mr. McConnell added moments later, holding up a single index finger. “All it would take,” he said, “is just one member of the other side of the aisle, just one, to give us an opportunity not to end the debate but to change the debate in the direction the American people would like us to go.”

Mr. McConnell warned of the political consequences for senators who voted to move ahead. “Senators who support this bill have a lot of explaining to do,” he said. “Americans know that a vote to proceed on this bill, to get on this bill, is a vote for higher premiums, higher taxes and massive cuts to Medicare.”

Republicans also said that the vote was a proxy for a larger dispute over abortion, because they said the bill did not sufficiently restrict the use of federal money for insurance covering abortions. Senator Mike Johanns, Republican of Nebraska, described the vote as “the key vote on abortion in the health care debate.”

Saturday night’s vote was required because Senate rules and precedent have long granted a right of virtually unlimited debate, or filibuster, to the minority that can be curtailed only by a supermajority vote of 60 senators to move ahead. Currently, there are 58 Democrats in the Senate and two independents who routinely align with them. If the Democrats had lost the vote, they could have tried again, presumably after changing the bill to try to attract more votes.

Senator Patrick J. Leahy, Democrat of Vermont assailed the Republicans as obstructionists on Saturday morning. “I will vote today to end the filibuster so the Senate can begin the historic debate to improve and reform our nation’s health insurance system,” he said. “Let’s not duck the debate, let the debate begin. Let’s not hide from the votes.”

While Democrats generally agree on the broad goals of the legislation, to cover the uninsured and to slow the growth in health care spending, there are potentially serious disagreements over any number of provisions that could sink the bill.

Ms. Landrieu, in her speech, methodically cataloged provisions of the bill that she liked and those that she said needed improvement.

Under the bill, she said, owners of small businesses would no longer face “volatile costs” for health insurance. In addition, she said, the bill would “encourage employers to move away from high-cost benefit plans” and shift some compensation to wages.

But more needed to be done to improve the bill, she argued, particularly to help small businesses and the self-employed. And she issued a stern warning about the public option, one of the most contentious features of the sweeping health care legislation.