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**NEWS CLIPS**

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# Nation's jobless rate falls slightly

LATEST DATA SURPRISE ANALYSTS

But Obama may back Democrats' jobs program

By Steven Mufson  
Washington Post Staff Writer  
Saturday, December 5, 2009

The U.S. unemployment rate edged down to 10 percent in November from 10.2 percent the month before, offering fresh evidence that the economy is stabilizing and that employers may soon stop shedding workers.

The number of jobless Americans stood at 15.4 million in November, down slightly from October but still more than double the number at the start of the economic slowdown.

The pace of job recovery remains sluggish enough that President Obama next week is likely to endorse a proposal by top House Democrats to use a portion of the government's \$700 billion financial bailout fund for a new jobs creation program.

"The president thinks we should and must do everything in our power to create an environment for job growth and job creation," White House press secretary Robert Gibbs told reporters Friday morning. When asked whether Obama will back the use of bailout funds during a speech about the economy next Tuesday, Gibbs said, "It's certainly being looked at. Yes."

About \$139 billion of the Troubled Assets Relief Program, or TARP, remains unallocated. In addition, banks have paid interest and dividends and repaid aid worth a total of about \$81 billion, according to the Treasury, and [Bank of America](#) said it will soon repay another \$45 billion. Congress would likely have to pass new legislation allowing TARP money to be spent on job creation.

After months of dismal employment news, the Labor Department report was greeted with relief at the White House, which has been battling to convince voters and business leaders that it is doing everything it can to ease the plight of Americans searching for work. Obama, who Friday launched a Main Street-style tour of cities across the country in the coming weeks, said that Christina Romer, chairman of the Council of Economic Advisers, "got about four hugs when she handed us the report."

"Overall, this is the best jobs report we have seen since 2007, Obama said at Lehigh Carbon Community College in Pennsylvania. But, he added, "We've still got a long way to go. I consider one job lost one too many."

The Labor Department's jobs report surprised most financial analysts. Nonfarm payrolls fell by just 11,000, the report said, a sign that companies are beginning to hang on to workers. In October, 111,000 jobs vanished; recently, analysts had expected a much higher number of jobs had been lost in November - as many as 130,000 or more.

"The numbers are a lot better than we expected," said David Wyss, chief economist of Standard & Poor's. "We're still looking at unemployment rates that are going to be highest since the postwar record in 1982, but this is encouraging . . . Small negatives are better than big negatives. Flat is the new up."

"It seems the storm has passed," said Bill Cheney, chief economist of John Hancock Financial. "We still have plenty of cleaning up to do, but today's employment report for November is unambiguously good news and provides solid reason for hope as we enter 2010."

"Worries about a jobless recovery should definitely be fading now," he added

Buoyed by the numbers, stocks jumped early Friday, before settling back. They finished the day up modestly.

### **Sectors post gains**

In November, jobs were added in temporary help services and health care, while employment fell at a slower rate in the construction, manufacturing and information sectors.

One encouraging sign that business is picking up: The average workweek for nonfarm jobs grew by 12 minutes to 33.2 hours, and the average manufacturing workweek increased by 18 minutes to 40.4 hours. Since May, the manufacturing workweek has increased by one hour. Employers usually increase hours for existing employees while waiting to see whether they need to hire new workers.

In addition, temporary employment rose. "That's usually a good leading indicator," said Wyss. "Usually employers get temporary workers, and when they are convinced that things are getting better, they turn them into permanent workers."

Unemployment also fell across gender and racial lines.

The employment rate for black teenagers, however, fell to an all-time low of 14 percent. In addition, the number of long-term unemployed -- those jobless for 27 weeks or more -- rose by 293,000, to 5.9 million.

### **October figures seem off**

Analysts said the November report made it appear that the jump in unemployment from 9.8 percent to 10.2 percent in October reported last month was an aberration. The Labor Department revised the number of jobs lost in October down to 111,000 from the 190,000 figure previously reported.

"Today's report makes the October surge appear to be an outlier," said Dean Maki, chief economist of Barclays Capital. "We do not think the rise in unemployment is going to continue. The next big move in the unemployment rate is down in our view."

The drop in the unemployment rate took place even though government employment rose by only 7,000, almost all of that in the federal government. Squeezed by fiscal problems, state and local governments shed workers outside the education area, which has received substantial aid from the federal government stimulus package.

Not all analysts were convinced by the Labor Department numbers, which are based on a survey of households. "Several other nongovernment indicators, in addition to our tax data, suggest that employment is not as rosy as the Bureau of Labor Statistics is reporting," said Madeline Schnapp, director of macroeconomic research at TrimTabs Investment Research. "Our tax data say wages and salaries are still shrinking, which in our model translates to pretty sizable job losses."

"There are many bumps in the road ahead," said Romer of the Council of Economic Advisers. "The monthly employment and unemployment numbers are volatile and subject to substantial revision. Therefore, it is important not to read too much into any one monthly report, positive or negative. But it is clear we are moving in the right direction."

## **Tracks reopen after loaded coal train derailment**

The Associated Press

December 05, 2009 11:16 pm

SHARON, WV — Train tracks reopened Saturday after a loaded CSX coal train derailed Friday night in Kanawha County.

One car overturned and 13 others came off the tracks around 8 p.m. Friday, closing the tracks overnight. No injuries were reported.

A Kanawha County Metro 911 dispatcher said the tracks and all crossings reopened by 12:30 p.m. Saturday.

A call to CSX to was not immediately returned Saturday.

## **Train derailment near Keene, CA**

By: Photos and Story by Nick Smirnoff

Posted by admin Sun Dec 6, 2009 11:06:39 PST

Railroad first responders were kept busy this weekend with first an auto vs. train accident in the fog near Monolith and an hour later at 1:30 am Dec. 6 this derailment near Keene.

Fifteen cars of an east bound B.N.S.F freight train rolled over on their sides while rounding a sharp curve near the Rowen siding. All 15 cars, located near the middle of the train were empty and were used to transport new automobiles. Initially Kern County Firefighters from Keene and Tehachapi responded as well as a Haz-Mat unit from east Bakersfield. After an inspection by railroad First Responders and county fire personnel, it was determined there were no chemicals or hazardous materials involved.

Visible from the west bound lanes of Highway 58 the derailment took place in an area where the allowable train speed is 25 MPH. Train traffic was not interrupted and the Hulcher Company, an independent contractor, was brought in with heavy equipment to shove the de-railed cars off the track. Railroad workers will inspect the track for damage, repair if necessary and clean up the whole mess at a later date. Cause of the low speed accident is still under investigation.

## **Rules In 2010**

December 7, 2009

By Darrell A. Hughes, Of DOW JONES NEWSWIRES

WASHINGTON -(Dow Jones)- The U.S. Labor Department unveiled Monday its 2010 legislative agenda, which includes regulations that would require employers to disclose agreements and arrangements made with labor consultants.

"When workers or union members have more information about what arrangements have been made by their employer to persuade them whether or not to join a union, this information helps them make a more informed choice regarding their collective bargaining rights and acts to level the labor-management relations playing field," the department said in its online regulatory agenda.

The Labor Department's agenda also includes plans to revise employer record keeping requirements. The department said current rules do not require employers to share--on every payday--the number of hours worked, the amount of pay that's been computed and whether proper wage and overtime has been included in hours worked. "This is an issue of transparency," Labor Secretary Hilda Solis said in a recorded video online.

Solis said the department is proposing 90 rules in its regulatory agenda for the year ahead.

The Labor Secretary made no mention of a potential new or expanded jobs creation program to the combat ailing jobs market that has left about 8 million people unemployed.

The White House and leaders in Congress are debating whether to use any of the slated \$200 billion remaining Troubled Asset Relief Program funds to create a jobs bill. Democrats have begun to hash out how to pay for a mix of unemployment benefits, state aid, tax credits and other incentives they hope will turn around the country's surging unemployment rate.

Nonetheless, Solis said the department will pursue "increase employment opportunities for protected veterans with federal contractors and subcontractors," along with proposing a rule that addresses affirmative action requirements.

Additionally, the Labor Department plans to continue working with the Treasury Department to "enhance retirement security and reduce the chances that workers will run out of funds during their retirement years," the Labor Department said.

Other 2010 agenda details outlined included publishing a rule to reduce coal miners' exposure to coal mine dust and a review of regulations that determine foreign nationals' ability to work temporarily in the U.S.

Solis ended the video message by encouraging the public and workers to get involved with the department's decision making process.

"This is your Labor Department" she said in closing remarks.

## FTC clears BNSF takeover; Berkshire plans stock split



December 8, 2009

The Federal Trade Commission has given Berkshire Hathaway antitrust approval for its planned takeover of Burlington Northern Santa Fe Corp., operator of BNSF Railway. The approval, which was expected, appeared Monday in a list of antitrust clearances routinely issued by the FTC.

Berkshire has offered to pay \$26.4 billion for the 77.4% of BNSF that it does not now own.

Combined with previously owned shares and \$10 billion in debt, the takeover is valued at around \$44 billion.

Berkshire has also filed a preliminary proxy statement with the Securities and Exchange Commission giving notice that it has set Jan. 20 for a special shareholders meeting in Omaha. Shareholders will be asked to approve a 50-for-1 split of Berkshire's Class B shares. The higher-priced Class A shares will not be affected.

The split would bring Berkshire Hathaway's Class B shares down to about \$66 each from their current level of around \$3,300.

Berkshire's Warren Buffett said earlier in an interview with CNBC that the split will enable "anybody that has as little as one share of BNSF to opt for the tax-free exchange ... So those small shareholders can have exactly the same availability that otherwise would only have been available to a big shareholder."

## **Florida Senate passes rail bill, which now heads to governor**



**Tuesday, December 08, 2009**

The Florida State Senate passed a rail bill 27-10, local newspapers report. It now heads to Gov. Charlie Crist for his signature. Crist has said he supports the bill. The bill clears away obstacles for construction of SunRail, a \$1.2-billion commuter rail project in central Florida, and shores up South Florida's Tri-Rail with an extra \$15 million in annual funding. The bill could also help the state win a \$2.5-billion federal grant to link Tampa and Orlando with a high-speed rail line.

The vote came after unionized labor leaders reported they had reached a compromise on the special-session bill on commuter rail. Opposition from labor had threatened Democratic support in the Senate for the bill since the special legislative session began last week. The House has already passed the bill and has handed it off to the Senate, where vote had been in doubt.

"I want to thank everyone who has worked diligently to bring this bill to fruition," said Commissioner Jeff Koons, Chair, South Florida Regional Transportation Authority. "Passage of this legislation would not have been possible without the support of the Leadership in the House and the Senate, especially that of Senate President Jeff Atwater. Our gratitude also goes out to our three county commissions, our partners around the state, and the SFRTA Governing board. This bill benefits the thousands of riders who depend on Tri-Rail, the 320 employees who keep the system running each and every day, and the people of Tampa, Orlando and Jacksonville."

## **REID: HEALTH REFORM IS AN OPPORTUNITY AS GREAT AS THE COSTS OF INACTION**

**Washington, D.C., December 9, 2009**—*Senate Majority Leader Harry Reid made the following remarks on the Senate floor this morning regarding The Patient Protection and Affordable Care Act. Below are his remarks as prepared for delivery:*

“Much of this momentous health care debate revolves around numbers. We read them in reports, see them on charts and hear about them in speeches.

“The state of health care in this country is in such severe crisis that these numbers are often quite overwhelming.

“Today I want to talk about one number: The number 31. It has a special significance – especially today – along the course of this long, historic pursuit to make it possible for every American to afford good health.

“First, let’s discuss the future. The number 31 is a powerful reminder of both the great opportunity before and of the great costs of inaction – a tangible illustration of what we stand to gain and what we stand to lose.

“When we pass this bill, 31 million Americans who today have no health insurance whatsoever will at long last be able to afford it. That means they no longer will have to put off the surgery they desperately need, and they will be able to finally fill the prescription that today is too expensive to buy. It means 31 million more Americans will have a decent shot at a healthy life.

“But if we do not act – if we let misinformation confuse us, or let distractions divert us, or refuse to answer the American people’s call to action – many more will suffer. In Nevada, like in every state, health insurance costs continue to climb. If we don’t act, in just six years the typical Nevada family will spend more than 31 percent of its income on health care premiums. Almost a third of every Nevadan’s paycheck will go right to his or her health care company. That number is even higher on average throughout the country – but only if we do nothing.

“Second, let’s talk for a moment about the present. Right now, every 31 minutes, insurance companies cut off more than 300 Americans’ health coverage. Sometimes it’s because you’ve lost your job, and so you lose your health care along with it. Sometimes it’s because you’ve changed your job, but your health care doesn’t come with it. And sometimes, at the very moment you need your health care the most – the investment into which for years you have poured more and more money from every paycheck – a greedy health insurance company looks at your medical history and says, I’m sorry, we’re taking it away.

“Maybe you’ve had high cholesterol your whole life, had acne as a child or had a C-section as an adult – health insurance companies have used all of these reasons to drop someone’s coverage. Maybe you had minor surgery 10 years ago, or your mother had breast cancer, or your father had heart disease. We all know that, much like our Republican colleagues, insurance companies will use any excuse in the book to say ‘no.’

“But that statistic – that every 31 minutes in America, more than 300 people lose their health insurance coverage – what does it really mean? Imagine if the Senate Gallery above us was filled, every single one of the nearly 600 seats taken by a good American citizen who has health insurance. Imagine that each of

them came in this morning to watch their government at work, and observed the proceedings here on the floor for an hour. Then each of them went on their way when that hour came to a close, but on their way out the door they were told that they no longer have health care. That's what is happening right now in America – the wealthiest and greatest country the world has ever seen. Every 31 minutes, 300 more people lose their health coverage.

“Third, and finally, let's talk about the past. Let's put the historical moment upon us in the context of history.

“It was 31 years ago today that Senator Ted Kennedy gave one of the most profound and stirring speeches both of his remarkable life and in the history of our nation's long health care debate.

“In that talk, he made an observation that rings just as true today as it did more than three decades ago. He said, quote, ‘One of the most shameful things about modern America is that in our unbelievably rich land, the quality of the health care available to many of our people is unbelievably poor, and the cost is unbelievably high.’

“He observed how out of control costs were back in 1978, and warned how quickly they would rise if we didn't act. Well, we didn't act, and in the past 31 years, health care costs have skyrocketed. The number of uninsured Americans has done the same. More bankruptcies than ever – three out of five – are because of medical expenses. The cost of prescription drugs has doubled in just the past decade, and far fewer small businesses can afford to cover their workers. And one more thing has happened: the resistance of the health insurance industry and Congressional Republicans to the change the American people demand has only become more tone deaf and more intense.

“If we don't act this time, those terrible trends will only continue. Costs will go up and up, without end. More Americans who have health insurance today will lose it. More patients will die of diseases we know how to treat. And as the crisis spirals, insurance company executives will laugh all the way to the bank.

“Much of this health care debate revolves around numbers. But at its heart, it is about people.

“On December 9, 1978 – 31 years ago today – Senator Kennedy asked us to recognize that health care is, quote, ‘a basic right for all, not just an expensive privilege for the few.’

“A generation later, good health is still a luxury in this country. We are working day and night so that a generation from now, it won't be.”

## November freight traffic shows strength, AAR reports

December 10, 2009

U.S. freight carload traffic was down 8.2% in November compared with the same month a year ago, and down 17.4% compared with November 2007. But if



Thanksgiving week were excluded, the month would have been the highest volume month in 2009, the Association of American Railroads said.

U.S. rail intermodal traffic also was down 6.7% for the month compared with November 2008, and down 14.1% compared to November 2007.

AAR said that while freight rail traffic is still recovering, its Rail Time Indicators report illustrates that the recovery in U.S. manufacturing seems to be continuing. The Purchasing Managers Index (PMI), which measures how U.S. manufacturing is faring, was at 53.6 in November. A PMI above 50 is thought to indicate growth in the manufacturing sector. If manufacturing is growing, improvement in rail carloads of raw materials, like chemicals and steel which are used in the production of goods, could be seen next month, AAR said.

"November's traffic numbers, when considering the effect of the Thanksgiving week, are generally positive," said AAR Senior Vice President of Policy and Economics John Gray. "Rail traffic is still down significantly in comparison to 2007 numbers, but the economic indicators in December's report lead us to believe that our nation's economy continues to improve."

12/10/2009 Economic Indicator

## **October's Transportation Services Index tumbles to eight-year low**

In October, the Transportation Services Index (TSI) fell 0.9 percent from September's level to 98.0 — the lowest October index since 2001, according to the U.S. Department of Transportation's [Bureau of Transportation Statistics \(BTS\)](#). The TSI also declined 8.7 percent compared with October 2008's index.

October's Freight TSI decreased 1.2 percent from September level's level to 94.5, the lowest October index since 1996 and second-straight month-over-month decline. The Freight TSI also fell 10.5 percent from October 2008's level — the largest October-to-October drop in the 20 years BTS has calculated the TSI.

October's Passenger TSI declined 0.1 percent from September's level to 110.3. On a year-over-year basis, the index decreased 3.1 percent.

## **UP reassigns four executives**

December 10, 2009

[Union Pacific Railroad](#) has named Dennis Duffy vice chairman-operations, effective Jan. 1. Currently executive vice president of operations, he will continue to serve as the Class I's senior operations exec.

Since joining UP in 1973, Duffy has held a number of key positions in the finance, marketing and sales, and operations departments.

UP also named Lance Fritz VP of operations, effective Jan. 1. Currently VP of labor relations, he will report to Duffy. Fritz joined the railroad in 2000 as VP of energy. He later served as regional VP of operations in two of the railroad's three operating regions.

In addition, UP named William (Rick) Turner VP of labor relations to succeed Fritz and Robert Grimaila, VP of safety, security and environment, effective Jan. 1.

Most recently assistant VP of labor relations, Turner previously held various operating and marketing/sales positions. Most recently senior assistant VP of safety, security and environment, Grimaila previously served in a number of operating positions.

## Railroad ton-miles down 4.8% from last year



December 11, 2009

The Association of American Railroads reported Thursday that traffic volume on U.S. railroads for the week ending Dec. 5 added up to an estimated 31.8 billion ton-miles, down 4.8% from the same week last year, and off 7.6% from 2007.

The railroads originated 284,177 carloads during the latest week, down 5.4% from the same week in 2008 and 13.3 % from the same week in 2007. (The AAR notes that in order to offer a complete picture of the progress in traffic, it is now comparing 2009 volume with both 2008 and 2007.)

Intermodal traffic, at 207,242 trailers and containers, was down 4.25% from 2008 and 13.6% from 2007.

Increases were reported in nine of the 19 carload freight commodity groups compared with the same week last year: nonmetallic minerals (25%), metals and products (17.1%), grain (14.1%), chemicals (13.9%), farm products not including grain (13.7%), motor vehicles and equipment (8.95), grain mill products (8 %), metallic ores (1.3%), and waste and scrap metal (0.7%). Declines ranged from 0.6% for food and kindred products to 21% for crushed stone, sand, and gravel.

Canadian railroads reported 62,576 carloads for the week, down 12.4% from last year, and 39,608 trailers or containers, down 13.5%. Mexico's two major railroads originated 12,393 carloads, down 4.8% from the same week last year, and 6,241 trailers and containers, up 0.8%.