



Bernie Sanders Blocks Proposal Which Would Avoid Rail Strike

Description

USA: Sen. Bernie Sanders (I-VT) **blocked a Republican effort to require railroad employees and companies to accept recommendations of a nonpartisan panel in order to avoid a strike** which, if it goes through, will impact millions of Americans.



The GOP resolution – introduced by Senate Health, Education, Labor and Pension Commission Ranking Member Richard Burr (R-NC) and Sen. Roger Wicker (R-MI), would have required railroad workers to adopt the outlines of a labor deal, [The Hill](#) reports.

According to the Vermont Senator, railroad companies are making ‘huge profits’ and should treat employees more fairly.

“The rail industry has seen huge profits in recent years and last year alone made a record breaking \$20 billion in profit,” he said. “Last year the CEO of CSX made over \$20 million in total compensation while the CEOs of Union Pacific and Norfolk Southern made over \$40 million each in total compensation.”

Sanders contrasted that to freight rail workers who are “entitled to a grand total of zero sick days.”

According to GOP Senators, their resolution would have avoided a “disastrous” rail strike, **which could bring rail travel and freight shipments grinding to a halt across the country.**

Sen. Minority Leader Mitch McConnell (R-KY) said Democrats were putting the economy at risk.

“If a strike occurs and paralyzes food, fertilizer and energy shipments nationwide, it will be because Democrats blocked this bill,” he tweeted.

Senate Democrats just blocked our bill that would have given railway workers a big raise and prevented a crippling strike and supply chain crisis.

If a strike occurs and paralyzes food, fertilizer, and energy shipments nationwide, it will be because Democrats blocked this bill.

— Leader McConnell (@LeaderMcConnell) [September 14, 2022](#)

The GOP plan would adopt resolutions from President Biden’s Presidential Emergency Board, which recommended a **24%** wage increase, retroactive to 2020, as well as annual bonuses of \$1,000 and additional paid leave.

“This is the president’s bipartisan emergency board that he set up that came back with a recommendation to the Biden Administration and said here is the solution to this. It should be adopted,” said Burr.

Wicker, meanwhile, said that “The last thing we need is a shutdown of this nation’s rail service, both passenger and freight. And yet, that is what we are facing in less than a day and a half from this moment, a massive rail strike that will virtually shut down our economy.”

According to a GOP aide who spoke with *The Hill*, **Sanders “wants a strike.”**

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Update (1525ET):

So it begins: on Wednesday afternoon, **Amtrak said it will cancel all long distance trains starting Thursday, September 15 “to avoid possible passenger disruptions while enroute”** as White House-led talks between freight-rail companies and unions continued in a race to avoid a rail-system shutdown Friday.

“Such an interruption could significantly impact intercity passenger rail service, as Amtrak operates almost all of our 21,000 route miles outside the Northeast Corridor on track owned, maintained, and dispatched by freight railroads,” the company said in a statement Wednesday, adding that it has already started phased adjustments which “include canceling all Long Distance trains and could be followed by impacts to most State- Supported routes”

“Adjustments are necessary to ensure trains can reach their terminals before freight railroad service

interruption if a resolution in negotiations is not reached”

The good news: most travel within the Amtrak-owned Northeast Corridor (Boston – New York – Washington) and related branch lines to Albany, N.Y., Harrisburg, Penn., and Springfield, Mass., would not be affected. Additionally the Acela service is not affected, and only a small number of Northeast Regional departures would be impacted.

As reported earlier, about 125,000 freight-rail workers could walk off the job if a deal isn't reached by Friday's deadline, **with a strike potentially costing the world's biggest economy more than \$2 billion a day**. The stoppage would be the largest of its kind since 1992, and it would snarl a wide range of goods transported by rail – from food to metal and auto parts – and threatens travel chaos for thousands of commuters, while sending inflation soaring even more.

The White House is considering an emergency decree to keep key goods flowing.

A Biden-appointed board last month issued a set of recommendations to resolve the dispute, including wage increases and better health coverage. But the proposal did not include terms on scheduling, attendance and other issues important to the two unions holding out for a deal, affiliates of the Teamsters Union and of the International Association of Sheet Metal, Air, Rail and Transportation Workers. Together, they represent about 60,000 employees.

A rail strike would be “**potentially disastrous**,” with “dire consequences that will cascade throughout the economy if a strike actually occurs,” Business Roundtable Chief Executive Officer Joshua Bolten told reporters. **Supply-chain issues would be “geometrically magnified by the rail strike, and that’s not just the occasional Amazon box showing up two days later than it should — these are critical materials”** such as chlorine to keep water clean that would be delayed, Bolten said.

In a [letter to Congress](#), American Trucking Associations President Chris Spear said **if all 7,000 long-distance freight trains available in the US stopped running, the country would need an extra 460,000 long-haul trucks daily to make up for the lost capacity**, which isn't possible because of equipment availability and driver shortages. Needless to say, such an outcome would send the price of diesel to record highs and through substitution, gasoline would follow suit. The trucking industry — dealing with labor issues of its own — faces a deficit of 80,000 drivers nationwide, he wrote.

While a majority of 12 railroad unions involved in the dispute had reached or were close to achieving tentative agreements with freight carriers as of Monday, **members of those unions also would refuse to work unless a deal is reached with the whole group, leaders said.**

Ominously, the 4,900 members from District 19 under the International Association of Machinists and Aerospace Workers (IAM) voted against the Tentative Agreement with the National Carriers' Conference Committee (NCCC). **The union members gave leadership the green light to strike if necessary. IAM District 19 said it also agreed to an extension until Sept. 29 to allow negotiations to continue.**

Labor Secretary Marty Walsh on Wednesday led negotiations between the unions and railroads, with talks continuing through lunch without a break, a Labor Department spokesperson said.

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Update (1155ET):

It's becoming increasingly possible that a major freight rail stoppage could materialize following the news thousands of rail workers rejected labor agreements this morning.

The 4,900 members from District 19 under the International Association of Machinists and Aerospace Workers (IAM) voted against the Tentative Agreement (proposed collective bargaining agreements that have not been ratified) with the National Carriers' Conference Committee (NCCC).

IAM District 19 released the following [statement](#):

"The Tentative Agreement has been rejected and the strike authorization vote was approved by IAM District 19 members. Out of respect for other unions in the ratification process, an **extension has been agreed to until Sept. 29, 2022 at 12 p.m. ET. This extension will allow us to continue to negotiate changes with the NCCC in the hopes of achieving an agreement our membership would ratify.**

"IAM freight rail members are skilled professionals who have worked in difficult conditions through a pandemic to make sure essential products get to their destinations. We look forward to continuing that vital work with a fair contract that ensures our members and their families are treated with the respect they deserve for keeping America's goods and resources moving through the pandemic. The IAM is grateful for the support of those working toward a solution as our members and freight rail workers seek equitable agreements."

IAM District 19 members are locomotive machinists, track equipment specialists, and maintenance personnel.

This comes as the US Labor Secretary Marty Walsh met with freight railroad companies and union officials Wednesday morning to avert a strike that could result in a nationwide shutdown of the freight rail system as soon as Friday.

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By John Gallagher of FreightWaves

A joint resolution by U.S. lawmakers aimed at ending the threat of a strike or lockout provides little incentive for avoiding a debilitating shutdown of the nation's railroads, according to a former rail industry legal consultant.

Introduced in the Senate on Monday by Roger Wicker, R.-Miss., and Richard Burr, R-N.C., [the legislation](#) would adopt the recommendations issued in August by the Presidential Emergency Board (PEB) that were meant to be used [as the foundation for a new contract](#). Such action is supported by major business and shipper groups, including the U.S. Chamber of Commerce and the Fertilizer Institute.

But getting a divided Congress to quickly pass such settlement legislation offers little chance of resolving the dispute, according to John Brennan III, a former senior counsel for the Union Pacific Railroad.

“Congress is in the unfortunate position of resolving a potential strike on very difficult terms, and what Wicker and Burr are proposing is a cramdown,” Brennan told FreightWaves.

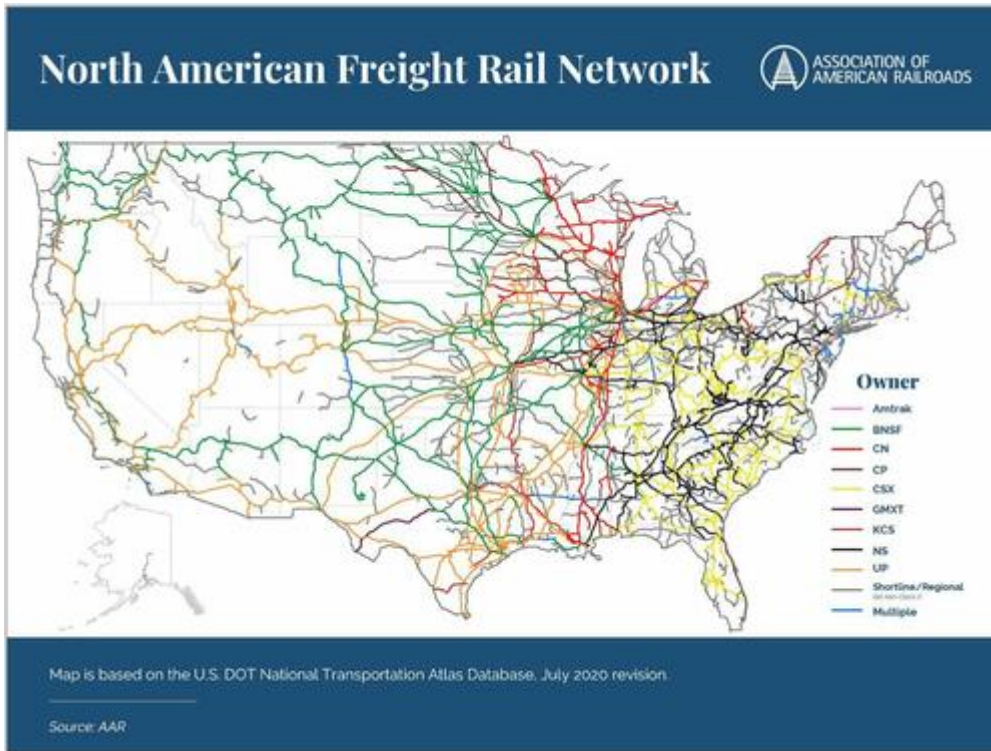
Brennan pointed out that when the last rail strikes occurred in the early 1990s, Congress passed settlement resolutions within 24 hours. But the partisan divide in Congress today, along with the upcoming midterm elections, could make it difficult to pass settlement legislation before midnight on Thursday, when a work stoppage would be permitted under the law.

“Expedited passage of this legislation requires unanimous consent, and one senator or congressman on either side of the aisle looking to gain political points will be able to hold this up — the possibility for theatrics is endless,” Brennan said.

Another path Congress could have chosen — simply extending the status quo for a certain period — may have offered more chance for an eventual settlement, although this also likely would have received pushback from labor-supportive Democrats, said Brennan, who is also a former chief of staff for the House of Representatives’ railroads subcommittee.

Delaying a possible strike through congressional action was also opposed by the American Trucking Associations.

“A possible strike or lockout in October or November is arguably worse than one next week — although any disruption will cost the nation billions of dollars of lost productivity,” said ATA President and CEO Chris Spear this past week. “Moreover, our members and every other business in America will have to maintain and update contingency plans unless the rail matter is resolved expeditiously.”



Instead, legislation requiring final-offer arbitration — also known as “baseball” arbitration because of its use in resolving major league contract salary disputes — may have offered the best path toward a fast settlement, according to Brennan.

“Decision-making power would be delegated to experienced, independent arbitrators who would choose between a best and final offer from either management or labor — a very scary proposition for both sides, and therefore an incentive to force them to the middle and settle,” Brennan said. “The legislation could help to avoid political controversy with the upcoming election looming.”

The National Railway Labor Conference, which is negotiating on behalf of railroad management, confirmed Tuesday that nine of the 12 unions involved in the contract talks have now come to a tentative agreement based on the PEB’s recommendations.

However, the two unions that together make up roughly [half of the rank-and-file workers covered under the contract](#) — the International Association of Sheet Metal, Air, Rail and Transportation Workers/Transportation Division, and the Brotherhood of Locomotive Engineers and Trainmen — have yet to settle with management.

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With that said, the two hold-out rail worker labor unions (noted above) risk causing widespread supply chain chaos if labor agreements with rail freight companies aren’t reached by the end of the week. This could mean more than 100,000 rail workers could soon leave the job.

Railroads are set to halt shipments of some commodities, farm goods, and other critical items on Thursday as the industry braces for work stoppages that could begin as early as Friday. If strikes materialize and the nation’s freight rail system is disrupted, it could cost the economy a whopping \$2

billion daily.

Norfolk Southern Corp. announced plans to halt unit train shipments of bulk commodities on Thursday. The railroad said it would stop receiving automobiles at its loading facilities Wednesday afternoon.

“We are hearing several rail carriers are tentatively planning to wind down shipments,” Max Fisher, chief economist at the National Grain and Feed Association, which represents most US grain handlers, told Bloomberg.

Reuters cited Justin Louchheim, the Senior Director of Government Affairs at The Fertilizer Institute, saying most rail freight companies stopped accepting new shipments of ammonia fertilizer and other potentially hazardous materials.

Other railroads are following suit. BNSF Railway Co. and Union Pacific Corp. representatives told Bloomberg they would curtail new shipments.

“We must take actions to prepare for the eventuality of a labor strike if the remaining unions cannot come to an agreement,” BNSF said in a statement.

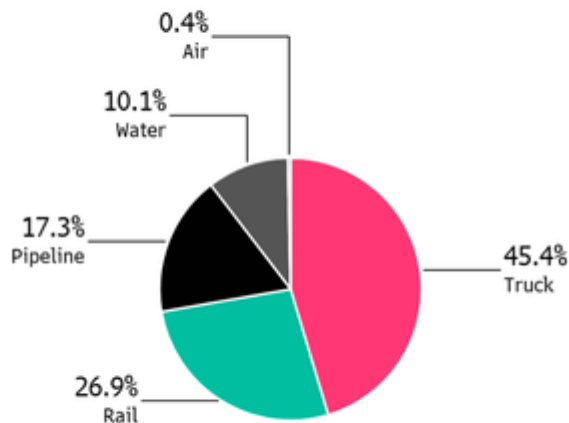
Fisher said railroads halting new cargoes is a move at ensuring trains aren't stranded if a labor strike materializes.

Other commodities are at risk, such as coal and crude product transports that could interrupt pre-winter stockpiling by utilities, triggering an increase in natural gas demand by power plant generators. Some estimates show railroads account for about a third or more of all US freight, meaning a strike would worsen supply chain snarls that could send inflation higher.

“Almost all ethanol is moved via rail and it is produced in the Midwest,” noted Debnil Chowdhury of S&P Global Commodity Insights. “There is no easy substitute for rail and the US government will have to make decisions around blend targets if ethanol movement to demand centers are constrained due to a strike.”

US Freight by Mode of Transportation

Share of total ton-miles



Source: Bureau of Transportation Statistics data for 2020

Bloomberg

Besides freight, the strike prospects are about to affect passenger railroad service. An Amtrak spokesperson said seven long-distance routes starting Wednesday across major metro areas, including New York City, Chicago, New Orleans, Los Angeles, and Seattle, would be halted.

The move to suspend service is one sign of the fallout from a labor dispute between unions and freight railroads that could descend into crippling shutdown of the nation's freight rail network as early as Friday. Amtrak said it had begun phased service adjustments to prepare for a potential interruption that could "significantly impact" its service between US cities outside of the Northeastern US between Boston and Washington, DC –Bloomberg

The White House announced contingency plans on Tuesday as US Labor Secretary Marty Walsh will meet with railroad and union representatives in Washington on Wednesday morning.

by Tyler Durden

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Date Created

09/15/2022