

Railway Labor Act Collective Bargaining Process

Railway Labor Act

Central to rail labor negotiations is the Railway Labor Act (RLA), enacted in 1926. For more than nine decades, the RLA has governed the national, multi-employer bargaining between freight railroads and the labor organizations representing railroad employees.

Under the law, collective bargaining agreements remain in force indefinitely until the parties agree to change them. Without contract expiration dates, the negotiators don't work against a fixed deadline. Instead, they proceed through a structured and regulated process, which may include compulsory mediation and other third-party resources, designed to bring the parties to agreement without service disruptions.

Exchange of Section Six Notices

Although collective bargaining agreements do not expire under the RLA, they generally have "reopener" dates. At such times, the parties can initiate a new round of bargaining with the exchange of "Section 6 notices."

Named for the section of the RLA that defines the bargaining procedures, these notices propose the contractual changes the parties are seeking. The railroads delivered their Section 6 notices in the new round of freight rail bargaining on Nov. 1, 2019.

Direct Bargaining

The freight rail industry's labor negotiations are conducted on a national, multi-employer basis.

During the negotiation process, the National Carriers' Conference Committee (NCCC) – a multi-employer committee chaired by the Chairman of the National Railway Labor Conference – represents the largest (Class I) railroads and many smaller carriers. The employees are represented by 12 major rail organizations.

The previous round of national freight rail bargaining covered 34 railroads and 145,000 rail employees, about 90 percent of all union employees in the industry. The rail unions formed three separate coalitions to bargain with the railroads.

After almost two years of direct bargaining, the railroads and each of the coalitions entered the mediation process, conducted under the auspices of the National Mediation Board.

Direct Bargaining Ends

The parties may pursue direct bargaining for as long as they mutually desire to do so. Direct bargaining concludes when one of four actions occurs:

- The parties reach agreement,
- Either side unequivocally terminates negotiations,
- A party requests mediation under the auspices of the National Mediation Board, or
- The National Mediation Board proffers mediation.

What is the National Mediation Board? - The National Mediation Board (NMB) is an independent federal agency that facilitates the resolution of labor-management disputes within the nation's railroad and airline industries. Established in 1934, one of the NMB's key statutory functions is to provide mediation services to these industries so that disputes are resolved without interruptions to carrier operations.

Mediation

Should negotiations enter the mediation stage, the National Mediation Board assumes control of the schedule, location, and format of negotiations. The NMB's goal is to facilitate a mutually acceptable agreement by the parties.

Under the Railway Labor Act, the NMB is obligated to use its “best efforts” to bring the parties to agreement. There is no timeline for the mediation process. While parties can request that the NMB release them from mediation, the NMB has no obligation to do so.

Binding Arbitration

If the National Mediation Board determines that further mediation will not be successful in bringing the parties to agreement, the agency will urge the parties to accept binding arbitration to resolve their bargaining disputes. Either party is free to reject arbitration. If both parties accept, the arbitration board’s award is final and binding on them. The parties are also free at any time during their bargaining to agree to binding arbitration.

In the previous round of negotiations, the railroads, and the Brotherhood of Maintenance Way Employees (BMW) and the Sheet Metal, Air, Rail and Transportation Workers (SMART – Mechanical) reached agreement on all issues except for healthcare. They resolved that issue through arbitration.

Post-Mediation Cooling Off Periods

Should either party reject the NMB’s proffer of arbitration, the NMB will notify the parties that its mediatory efforts have failed. This notification triggers a 30-day cooling-off period. During this time, neither party can engage in “self-help” tactics such as a strike or lockout.

Why So Many “Cooling Off” Periods? - Throughout the negotiation process prescribed by the RLA, there are up to three so-called cooling-off periods. These 30-day windows provide additional time for parties to reach an agreement before disruptive “self-help” tactics such as strikes are permitted.

If the NMB determines that the bargaining dispute threatens to interrupt interstate commerce, it will notify the President of the United States. The President can then choose to appoint what is known as a Presidential Emergency Board (PEB) to investigate the dispute and recommend solutions. If the Board is appointed, the RLA imposes additional cooling-off periods.

When faced with these circumstances in national freight rail bargaining, the President typically appoints a PEB.

Presidential Emergency Board

Under the RLA, the President selects the members of an Emergency Board. The number of board members is up to the President. The PEB members (typically experienced professional arbitrators) have 30 days after their appointment to issue a report with their findings and recommendations for a resolution.

Throughout this process – and for 30 days following the issuance of the PEB’s report – parties are prohibited from engaging in self-help tactics.

While a PEB’s recommendations are not binding, they generally provide an avenue for the parties to reach agreement.

Post-PEB Cooling Off Period

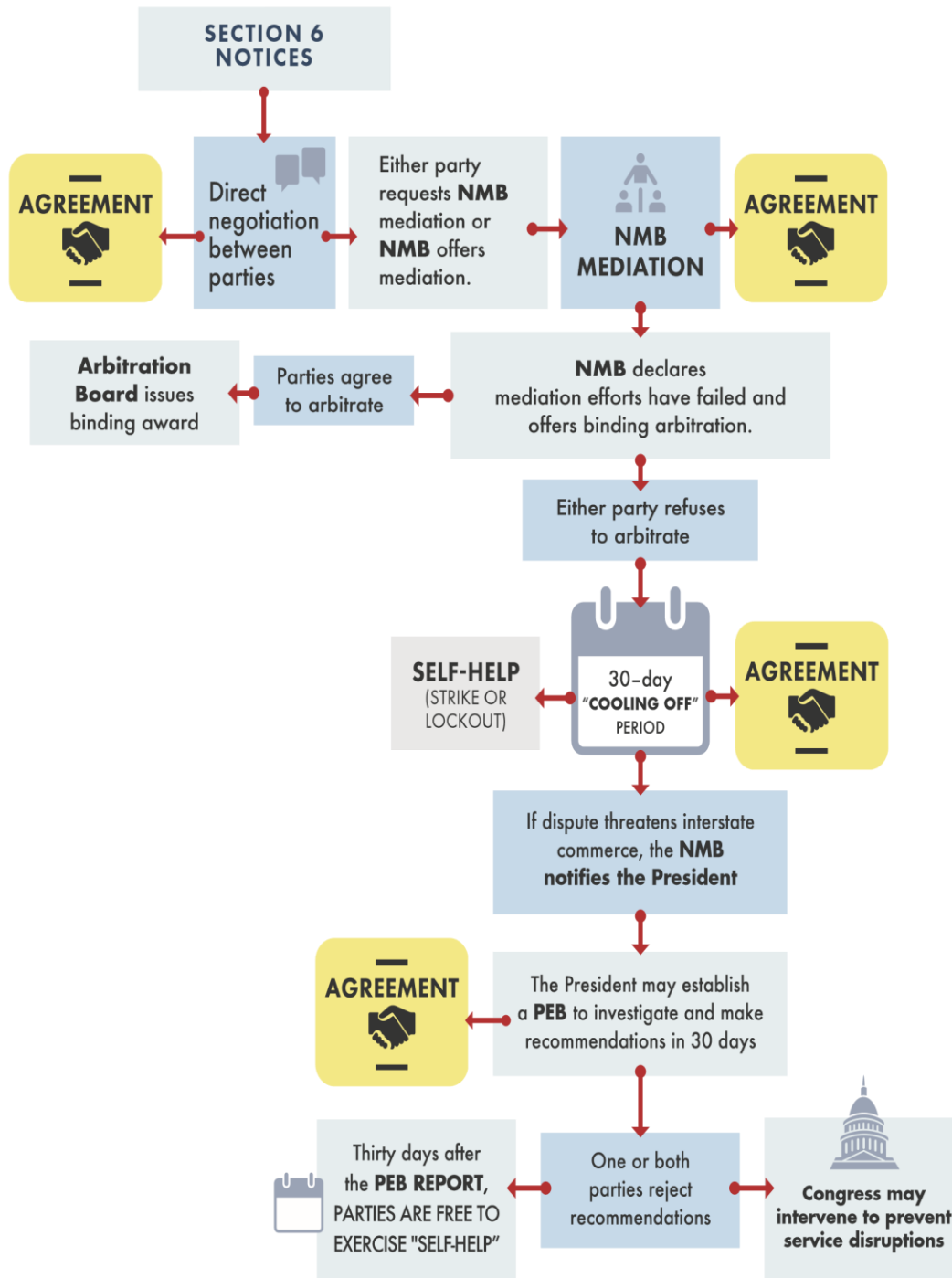
Following the issuance of the PEB’s findings and recommendations, negotiations enter a final 30-day cooling-off period under the RLA.

Congressional Action

Since the enactment of the Railway Labor Act in 1926, most national freight rail negotiations have resulted in voluntary settlements without any service interruptions. However, in rare instances when the parties have not reached an agreement before exhaustion of the RLA negotiation process, Congress has generally stepped in to prevent or terminate service disruptions. Past congressional measures have included additional cooling-off periods to continue negotiations, implementation of PEB recommendations, and compulsory arbitration.

Collective Bargaining Under the Railway Labor Act

The flow chart below illustrates the various steps of the RLA negotiation process, including the numerous safeguards that help overcome bargaining stalemates. Although the parties often reach agreement without any outside intervention, the RLA bargaining process can include mediation by an independent federal agency and action by the President of the United States if necessary to facilitate resolution of the parties' negotiations. Even after the RLA process has concluded, Congress has stepped in to prevent or terminate service disruptions that would harm the national economy.



NCCC Railroad Employees Represented by 12 Unions

Union	Number of Employees (rounded)	Percent of Total (rounded)
International Association of Sheet Metal, Air, Rail and Transportation Workers Transportation Div. including Yardmasters (SMART-TD & SMART-TD-YDM)	37,848	31
Brotherhood of Locomotive Engineers & Trainmen (BLET)	24,108	20
Brotherhood of Maintenance of Way Employees (BMWED)	21,292	18
Brotherhood Railway Carmen (BRC)	8,337	7
Brotherhood of Railroad Signalmen (BRS)	6,942	6
International Association of Machinists and Aerospace Workers (IAM)	6,482	5
International Brotherhood of Electrical Workers (IBEW)	5,284	4
Transportation Communications International Union (TCU)	4,635	4
National Conference of Firemen and Oilers (NCFO)	2,219	2
American Train Dispatchers Association (ATDA)	1,597	1
International Brotherhood of Boilermakers, Blacksmiths, Iron Ship Builders, Forgers and Helpers (IBB)	1,250	1

Railroads in 2015 National Bargaining Round

Alameda Belt Line Railway
Alton & Southern Railway Company
The Belt Railway Company of Chicago
Bessemer and Lake Erie Railroad Company
BNSF Railway Company
Brownsville and Matamoros Bridge Company
Central California Traction Company
Consolidated Rail Corporation CSX
Transportation, Inc.
Gary Railway Company
Grand Trunk Western Railroad Company
Illinois Central Railroad Company
Indiana Harbor Belt Railroad Company
The Kansas City Southern Railway Company
Kansas City Terminal Railroad Company
Longview Switching Company
Los Angeles Junction Railway Company
New Orleans Public Belt Railroad
Norfolk and Portsmouth Belt Line Railroad Company
Norfolk Southern Railway
Northeast Illinois Regional Commuter Railroad Corporation (METRA)
Northern Indiana Commuter Transportation District
Port Terminal Railroad Association
Portland Terminal Railroad Company
Terminal Railroad Association of St. Louis
Texas City Terminal Railway Company
Union Pacific Railroad Company Union Railroad
Company
Western Fruit Express Company
Wichita Terminal Association
Winston Salem Southbound Railway Company
Wisconsin Central Ltd.