US railroad union coalition agrees to contract with health givebacks

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9 October 2017

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After nearly three years without a contract, a coalition of railroad unions announced last week that a tentative agreement had been reached with the major railroads in the United States. Those railroads bargain as the National Carriers Conference Committee (NCCC) and previous contract proposals contained major changes to work rules, minimal raises without back pay, and increased health care costs.

The Coordinated Bargaining Group (CBG) of unions—which covers 85,000 workers or 58 percent of rail labor, including engineers, dispatchers, signalmen, and other crafts—unanimously agreed to the contract proposal on October 4. Another union bargaining group, which includes carmen, clerks, and shop crafts, does not yet have a tentative agreement, but the unions have stated their intent to follow the pattern of the CBG agreement. A third bargaining group led by the Brotherhood of Maintenance of Way Employees has declared negotiations at an impasse and is accepting the intervention of the Presidential Emergency Board.

The tentative agreement of the CBG, on the surface, avoids changes to work rules, and freezes monthly premiums for health care at the already burdensome rate of $228.89 per month. Unlike previous proposals, it contains back pay at varying rates from July 1, 2015 to the date the contract is signed. It contains meager raises that would barely meet or come in below the rate of inflation.

Railroad workers quickly uncovered that the cost of actually using their health care will dramatically increase, as out-of-pocket costs nearly double. Most estimate their wage increases would quickly be eaten up by increased spending on health care costs. The contract would extend until 2019, and during the next round of negotiations, the so-called “Cadillac Tax” that Obamacare will impose on supposedly overgenerous health plans will lead to further losses of income.

The rail unions, like the rest of the US unions, blocked any strikes in 2015-16 when millions of private and public-sector workers’ contracts expired. This enabled Obama to suppress a wages push by workers determined to recoup lost pay after the 2008 crash and during a full recovery of Wall Street and corporate profits. By waiting nearly three years and agreeing to what amounts to a two-year deal, the rail unions have allowed management to continue to cost cutting.

The unions of the CBG—the Brotherhood of Locomotive Engineers and Trainmen (BLET), SMART-TD, and others—will push for contract approval claiming that the proposal is the best workers can expect. Ever since the great railway strikes of the 19th and early 20th centuries, railroad labor negotiations have followed an anti-democratic maze under the Railway Labor Act, which is designed to block workers from striking. There are layers of steps and cooling off periods, federal mediation, and potentially even a board appointed by the US president to intervene in the contract discussions.

Under the Trump administration, the unions will claim that a rejection of the proposal and a move towards further federal intervention would only result in a worse deal. Despite this, workers have expressed wide opposition to the proposal, even with the back pay that is included.

The opposition is not only to the increased health care costs, but to decades of concessions to the railroads while they continued to make billions. In this round of negotiations, the NCCC pleaded poverty, saying the railroads are suffering and losing traffic. In reality, the 2016 profits of the major railroads were $3.5 billion for

BNSF, $2 billion for Union Pacific, $1.7 billion for CSX, $1.67 billion Norfolk Southern, $1.27 billion for Canadian Pacific, and $812 million for Canadian National.

The CBG proposal mostly covers operating employees who run trains—engineers, conductors, and other crafts. There are a host of major issues that continue to go completely unaddressed. Operating employees work on call, 24/7, on a random schedule often dictated entirely by the railroads. Day to day, their start times can vary between night and day, and “road” crews spend much of their working week away from home at motels and hotels. Most railroads have oppressive attendance policies that make it difficult for workers to schedule any time off, or even take sick days. It is common for workers to miss events in their family lives, which are often strained by the irregular schedule.

There have been decades of job losses—the number of crew members operating a train has dropped from five in the 1960s, to three in the 1980s, to two since the 1990s. For the last 25 years, railroads have been pushing for one-person crews, and in some select cases have achieved it—notoriously when one operating union undercut the other to claim the combined job. On the major railroads, presently only some switching crews are operated by one worker, but they are investing millions into technology to cut the workforce further. In Australia, Rio Tinto has spent over $500 million to introduce remotely operated freight trains with no crew at all. The technology debuted last week after many prior problems, and notably, it is used in a remote, unpopulated region under relatively simple circumstances.

While the numbers have been cut, operating employees have been progressively burdened with more and more work. In another effort by railroads to cut crews, trains have grown longer and heavier. In the last few years, there has been a particularly aggressive push to nearly double train sizes—with the doubly long train only requiring one crew, instead of two trains with two crews. BNSF, for example, is running certain trains from California to Illinois at 16,000 feet (roughly three miles) when trains ordinarily were 6,000-10,000 feet. Monster trains require expert skill to operate, and any faulty equipment becomes more complicated to fix if a problem arises.

The industry is dangerous, with a fatality rate nearly twice that of average occupations. According to reports from January through July 2017, nine on-duty railroad workers have died so far this year, and 2,395 have been injured. Railroads sanctimoniously preach that their number one priority is safety, but employees are all too familiar with management’s efforts to disguise and lower injury rates, legally challenge employees who are injured and implement cost-cutting moves that undermine safety.

Railroad workers are also justifiably suspicious of the tentative proposal because of the sense that when it comes to working rules, items are routinely violated by the railroads regardless of what is written in the contract. Job assignments have been loosened, working pools have been rearranged, and excessive discipline is imposed by notoriously vindictive management. Many cuts and closures have occurred in the last few years as the contract expired, including the shutdown of yards, crew terminals, maintenance facilities, and even route closures.