REPORT

to

THE PRESIDENT

by

EMERGENCY BOARD

NO. 228

Submitted pursuant to Executive Order No. 13001
Dated May 8, 1996, and
Section 10 of
The Railway Labor Act, as amended

Investigation of dispute between the railroads represented by the National Carriers' Conference Committee of the National Railway Labor Conference and their employees represented by the Transportation Communications International Union.

(National Mediation Board Case Nos. A-12707 and A-12731)

Washington, D.C.
June 23, 1996

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The President
The White House
Washington, D.C.

Dear Mr. President:

On May 8, 1996, you established Emergency Board 228, and us as its members, pursuant to Section 10 of the Railway Labor Act, as amended, and by Executive Order 13001. You authorized us to investigate the dispute between certain railroads represented by the National Carriers' Conference Committee of the National Railway Labor Conference and their employees represented by the Transportation Communications International Union.

The Board now has the honor to submit its report to you. It contains our recommendations for appropriate resolution of the dispute.

We gratefully acknowledge the able assistance of Roland Watkins of the National Mediation Board's staff. He provided us with essential and valuable support throughout the proceedings.

Respectfully,

Rolf Valtin, Chairman

Herbert L. Marx, Jr., Member

Gilbert H. Vernon, Member

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Appendix

I. CREATION OF THE EMERGENCY BOARD

Emergency Board No. 228 (the Board) was established by the President pursuant to Section 10 of the Railway Labor Act, as amended, 45 U.S.C. § 160, and by Executive Order 13001. The Board was directed to investigate, and to make recommendations for resolution of, the dispute between the National Carriers' Conference Committee of the National Railway Labor Conference and their employees represented by the Transportation Communications International Union. A copy of the Executive Order is attached as Appendix "A".

On May 8, 1996, the President appointed Rolf Valtin of Lovettsville, Virginia, as Chairman of the Board, and Herbert L. Marx, Jr., of New York, NY, and Gil Vernon of Eau Claire, Wisconsin, as members. The National Mediation Board appointed Roland Watkins, Esq., as Special Counsel to the Board.

II. PARTIES TO THE DISPUTE

A. THE CARRIERS' CONFERENCE

The Carriers involved in this dispute include most of the Nation's Class I line haul railroads and terminal and switching companies. They are named in the attachment to Appendix "A", and they are represented in this dispute through powers of attorney provided to the National Railway Labor Conference (NRLC) and its negotiating committee known as the National Carriers' Conference Committee (Carriers).

B. THE LABOR ORGANIZATION

The Transportation Communications International Union (TCU) is the collective bargaining representative under the Railway Labor Act for approximately 39,000 Clerks and Carmen.

III. ACTIVITIES OF THE EMERGENCY BOARD

The Board held an organizational meeting with representatives of the parties in Washington, D.C., on May 9, 1996.

The Board conducted hearings in Washington, D.C., on the issues over the four-day period May 13-16, 1996. The parties were given full and adequate opportunity to present oral testimony, documentary evidence, and argument in support of their respective positions. Their closing-and-rebuttal briefs were filed on May 28, 1996.

The parties agreed to, and the President approved, an extension of time until June 23, 1996, for the Board to report its recommendations to the President.

The TCU presented its position through written statements and oral testimony by John Sweeney, President, AFL-CIO; Robert A. Scardelletti, International President of the TCU; Richard Johnson, President-Carmen Division of the TCU; Daniel Akins, transportation economist and Vice President of AirTrans, Inc.; Joel Parker, International Vice President of the TCU; Carl Brockett, International Vice President of the TCU; and Thomas Harter, consultant to the TCU on employee benefits programs.

The TCU was represented by Mitchell Kraus, Esq., General Counsel of the TCU and Joseph Guerrieri, Jr., Esq., of Guerrieri, Edmond & Clayman, P.C. The TCU-Carmen Division was represented by C. Marshall Friedman, Esq.

The Carriers presented their position through written statements and oral testimony by Robert F. Allen, Chairman of the NRLC; Robert W. Anestis, President of Anestis and Company; Charles H. Fay, Professor of Human Resources at the Rutgers University School of Management and Labor Relations; Charles I. Hopkins, Jr., former Chairman of the NRLC; David S. Evans, Senior Vice President of National Economic Research Associates, Inc.; Robert E. Swert, Vice President Labor Relations, Consolidated Rail Corporation (retired); Catheryn Sandler, Director of Labor Relations at CSX Intermodal; Stephen Branscum, Assistant Vice President, Intermodal Hub Operations for the Burlington Northern Santa Fe; Cynthia Archer, Senior Vice President, Intermodal, Consolidated Rail Corporation; Tom Finkbinder, Vice President, Intermodal, Norfolk Southern Corporation; Michael F. Corbett, Co-founder and Director of Research and Member Programs, The Outsourcing Institute; Dr. Leland S. Case, economics consultant; David Miller, Assistant Vice President of Maintenance, Planning, Scheduling, Engineering and Mechanical Work, CSX Transportation; Lyn Faulkner, Senior Director, Maintenance, Operations and Terminals, Union Pacific; Anthony J. Locate, Director of Labor Relations, Consolidated Rail Corporation; Richard P. Byers, Director of Employee Relations, CSX Transportation; Mark R. MacMahon, Director of Benefits, Norfolk Southern; Dean D. Matter, Senior Director, Labor Relations, Non-Ops, Union Pacific Railroad; John Binaw, Director of Labor Relations, Norfolk Southern; Bob Stinnett, Senior Vice President of Accounting Operations, Norfolk Southern (retired); Tom Frois, Assistant Comptroller, Consolidated Rail Corporation; and Donald J. Reilly, ACF Industries (retired).

The Carriers were represented by David Lee, Esq., Vice Chairman/General Counsel, NRLC, and Ralph J. Moore, Jr., Esq., accompanied by Michael Greenberger, Esq., of Shea and Gardner.

IV. HISTORY OF THE DISPUTE

On or about November 1, 1994, the TCU, in accordance with Section 6 of the Railway Labor Act, served notice on the individual railroads of its demands for changes in the provisions of the applicable collective bargaining agreements. Also on or about November 1, 1994, the NLRC served its notices on the TCU, likewise seeking changes in the collective bargaining agreements involving the Clerks and the Carmen.

The parties met in direct bargaining on the Clerks' issues on November 18, 1994, January 4, 1995, and February 27 and 28, 1995. Direct bargaining did not result in an agreement.

The TCU, on March 1, 1995, applied to the NMB for mediatory services in the dispute regarding the Clerks. The application was docketed as NMB Case No. A-12707.

The parties met in direct bargaining on the Carmen's issues on November 10, 1994, March 21 and 22, 1995, and May 9, 1995. Direct bargaining did not result in an agreement.

The Organization applied for mediatory services for the Carmen on May 11, 1995. This application was docketed as NMB Case No. A-12731.

Mediation involving the Carmen's and Clerks' applications were handled concurrently. The NMB assigned Mediators Robert J. Cerjan and Maurice A. Parker. Chairwoman Magdalena G. Jacobsen subsequently assumed the mediation role. All mediation efforts were unsuccessful.

On April 5, 1996, the NMB, in accordance with Section 5, First, of the Railway Labor Act, urged the TCU and the NRLC to enter into an agreement to submit their dispute to arbitration as provided in Section 8 of the Act. The TCU declined, in writing, on April 8, 1996. Consequently, the NMB served notice that its services had been terminated under the provisions of Section 5, First, of the Act. The President therewith created this Emergency Board.

V. INTRODUCTION

The parties came to this Board with some thirty-five issues and without in any way having reduced or narrowed the differences between them. The explanation for this state of affairs lies in the parties' disagreement on what is in effect a threshold issue: the Organization's reliance on its wage-package agreement with the Illinois Central (IC) and the Carriers' reliance on their wage-package settlement with the United Transportation Union (UTU). As we will show in our discussion of the wage issue, the IC-TCU package generates more by way of general wage increases than does the Carriers-UTU package. The parties were unable to engage in meaningful negotiations on the numerous issues facing them because each party was insisting on the adoption of its preferred wage package as the basis for negotiation on other issues.

Given the many issues and sub-issues to be dealt with, we refrain from elaborate statements for most of the issues. The short-hand identifications which we make will be fully understood by the parties, not only because we employed them in discussions with the parties but also because each of the issues was extensively aired by the parties at the hearings. To be noted, however, is that in some instances we identify the TCU's proposal as involving only Carmen when the TCU's actual proposal covered both Carmen and Clerks. Where we do this, it is a matter of our belief that the proposal on behalf of Carmen calls for discussion but that the proposal on behalf of Clerks is in the category of those proposals, from either the Carriers or the TCU, as to which we are urging withdrawal without specifically addressing them (see Section VI-O of our report).

VI. ISSUES, PROPOSALS AND RECOMMENDATIONS

A. WAGES

The following is the formula agreed to by the IC and the TCU and ratified by the IC-TCU Clerks and Carmen:

7-1-95	3% GWI (General Wage Increase)
7-1-96	3% GWI
7-1-97	4% GWI
7-1-98	3% GWI
7-1-99	4% GWI

Various COLA (Cost of Living Adjustment) arrangements after 1-1-2000

$1,000 Signing Bonus (also referred to as the Grievance Resolution Bonus)

The Organization urges the recognition of the IC-TCU formula as a floor and thus proposes a three-year Agreement with annual 4% GWIs, together with the signing bonus and the COLA arrangements as of 1-1-98. The Organization's arguments are of two kinds: those going to the appropriateness of the wage terms proposed by the Organization and those going to the inappropriateness of the wage terms adopted under the UTU Agreement with the Carriers. As to the former, the Organization points to the industry's substantial profits and substantial productivity advances, to the contrastingly modest wage settlements in recent years, to IC's exemplary willingness to share its gains with its workers, and to the fact that the IC-TCU Agreement not only was approved by the negotiators but also was approved by the IC-TCU Clerks and Carmen in a democratically conducted ratification vote. (Other Organizations have settled with the IC on closely similar terms.) As to the settlement terms reached by the Carriers and the UTU, the Organization argues: that there is no real Carriers-UTU Agreement because the settlement terms were rejected in a membership ratification vote and were then imposed by an arbitration which, according to the Organization, was in many ways a faulty proceeding; that the wage terms reached by the Carriers and the UTU, particularly in their recourse to the use of lump-sum payments, are patently inadequate; and that the Carriers-UTU wage settlement terms include two factors which are of clear benefit to the UTU's operating employees but which the Carriers do not propose to pass on to the TCU's Clerks and Carmen in any form. The two factors are the retention of 130 miles as the basic day and the application of general wage increases to overmiles.

The TCU submits that these various considerations, at least when taken together, must surely serve to defeat the Carriers' effort to use the Carriers-UTU wage settlement terms as a pattern to be imposed on other workers represented by other Organizations.

The following are the Carriers-UTU wage settlement terms:

11-30-95	9¢ COLA rolled into basic rate
12-1-95	3.5% GWI
Date of Agreement	1% lump sum signing bonus (minus 7¢ COLA paid in 1996) or UTU dollar equivalent
7-1-96	3% lump sum
7-1-97	3.5% GWI
7-1-98	3.5% lump sum
7-1-99	3.5% GWI

COLA: A guaranteed COLA due on December 31, 1999, to be rolled into basic rate. The COLA will be based on two measurement periods (March 1995 to March 1996 and March 1997 to March 1998 [so as to roughly coincide with the two lump-sum years]) and will be calculated based on 0.3 cents for every point increase in the CPI-W [Consumer Price Index] with a guaranteed floor and cap (i.e., the COLA formula will be applied to no less than a 4% increase and no more than a 6% increase in the CPI-W). Semiannual COLA will continue to cover the period from the end of the moratorium to the beginning of the succeeding Agreement.

We are in agreement with the Organization that the retention of the 130-mile basic day and the application of general wage increases to overmiles constitute a substantial UTU benefit which would not be gained as a TCU benefit if the Carriers-UTU wage settlement terms were straightforwardly applied as the terms to be recommended for adoption by the TCU and the Carriers. We view the matter as a substantial UTU benefit because: there was a halt in the march toward a 160-mile basic day recommended by Emergency Board 219 (see pp. 63-64 of that Board's report); the application of general wage increases to overmiles was contrary to what had been done for many years and was granted as a special concession to enhance the attractiveness of the rest of the wage package; and what is here involved is merely the reverse of what was involved in 1985 -- namely, the lowering of the package due the TCU relative to the UTU package in recognition of the substantial work-rule concessions made by the UTU. We are not losing sight of the fact that only mileage-based UTU employees will benefit from the retention of the 130-mile basic day and the application of general wage increases to overmiles. Still left, however, is a substantial benefit not accruing to the employees represented by the TCU.

It is one thing, of course, to recognize the need for some sort of equalizing component in the light of the retention of the 130-mile basic day and the application of general wage increases to overmiles, and it is quite another to select an appropriate component and to fix it as reasonably reflecting the value of those two factors. We here leave the matter without saying more. Our treatment of it will be found in our recommendations on other issues.

With the exception of this equalization need, however, we are in agreement with the Carriers, for the reasons which follow, that the Carriers-UTU wage terms should be recommended as the Carriers-TCU wage terms.

First, though the IC-TCU parties are obviously to be commended for their willingness independently to go forward and their success in arriving at mutually satisfactory terms, it seems clear to us that the IC-TCU Agreement cannot be given cornerstone significance in determining the dispute which is before us. The IC is a single carrier, having foregone the national bargaining table to negotiate with the TCU and other Organizations; it comprises only about 2% of the industry, be it in terms of freight revenue or in terms of the number of unionized employees; and it has in recent times achieved profit results of a very high order relative to the rest of the industry.

We have asked ourselves two "what if the shoe were on the other foot" questions. One concerns the possibility that the TCU might proceed independently with a single carrier which is on the verge of extinction due to persistent nonprofitability and agree to terms with that carrier which are substantially below those to which the Carriers are nationally prepared to go. There would surely be no heeding the special terms negotiated for the single carrier. The other question simply assumes that the UTU and the TCU (numerically of similar membership strength) are in reverse position relative to their respective positions in the current bargaining round – i.e., that the UTU proceeded independently with the IC and came to the same terms with the IC as has the TCU and that the TCU then became the lead Organization in national negotiations with the Carriers and came to the same terms with the Carriers as has the UTU. We are certain that we would apply the TCU terms as the dominant ones and thus turn the UTU down if it sought to have the IC terms applied as the national terms.

Yet to be noted is that, if these observations are sound, as we think they are, there is obviously no choice but to reject the TCU's actual position – i.e., that the IC terms be applied as the floor from which to go to a three-year Agreement with annual 4% GWIs.

Second, we view the TCU as overstating things in its belittlement of the Carriers-UTU wage package. Granted that the Carriers' profit prognosis before Emergency Board 219 was unduly pessimistic and that the industry's current state of profits is unusually favorable. But, on the one hand, it cannot be said that railroad employees were subjected to a meager wage package in the five-year period preceding the current bargaining round. And, on the other hand, there is substantially more by way of increases to be incorporated into wage rates under the Carriers-UTU package than there was under the formula covering the preceding five-year period.

It is true, as the TCU stresses, that there are lump-sum payments in two of the five years under the Carriers-UTU settlement. Equally true, however, is: that the lump-sum payments are themselves sizeable; that there is a COLA arrangement by which (though not until the end of the Agreement) the equivalent of an approximate 1.5% GWI per lump-sum year will be incorporated into the wage rates; and that the lump-sum years are accompanied by three years each of which carries a 3.5% GWI. Taking into account both the compounding effect and the special COLA arrangement, wages will have risen about 15% by the end of the five-year Agreement. And this is aside from lump-sum payments aggregating 7.5% (the two lump-sum years and the signing bonus). Moreover, as will be shown below, there are to be improvements in what is already a first-rate healthcare program.

Third, there are at this stage three Organizations whose negotiators have approved the Carriers-UTU settlement. They are: the UTU itself, with some 26 percent of the industry's unionized workforce; the Brotherhood of Locomotive Engineers (BLE), with some 15 percent of the industry's unionized workforce; and the Brotherhood of Railroad Signalmen (BRS), with some four percent of the industry's unionized workforce. The total is 45 percent. We view it as less than the clear and compelling "pattern" which the Carriers suggest it to be. But, given the fact that a large and important Organization took the lead and that the negotiators for two other

Organizations (which aggregate some 19 percent of the industry's unionized workforce) have declared themselves as finding the Carriers-UTU wage package acceptable, it is not too much to say that there is an emerging pattern. It is itself of significant force, and it certainly deserves to be accorded greater weight than the IC-TCU settlement.

We have held in mind 1) that the Carriers-UTU settlement terms were rejected in a UTU ratification vote and were then imposed through arbitration, and 2) that the acceptance of the Carriers-UTU terms by the BLE and BRS negotiators is in each instance subject to ratification by the Organization's membership and that neither ratification vote has been completed at the time of the preparation of our report. As to the first point, however, we cannot proceed as if the Carriers-UTU pact were not in place; and, further, we think it is to be noted that the pact as proposed by the UTU negotiators was backed by a huge majority of the General Chairmen. And as to the second point, it seems to us that, at least at a time when the outcome of a ratification vote is being awaited, the actions of the parties' negotiators are to be viewed as carrying substantial significance.

By appreciation of all of the foregoing discussion as a cohesive whole, we see no proper way for declining to apply the Carriers-UTU wage package as the wage package to be recommended for adoption by the Carriers and the TCU. For the given reasons, the IC-TCU wage package cannot be given controlling weight. And, aside from this, we are functioning on the heels of the described events: a major Organization taking the lead in national negotiations, the arrival at a wage package which is superior to the railroad wage package of the last bargaining round and which cannot be dismissed as intrinsically inadequate, and the acceptance of the wage package by the negotiators of two other Organizations. Were we, in this context, to recommend the enlargement of the wage package, we would be undermining the leading roles which the negotiators for the Carriers, the UTU, the BLE and the BRS were willing to assume. No elaboration of the detrimental effects of such undermining should be necessary.

As indicated, and as specified below, we are also recommending particular ways by which to overcome the discrepancy resulting from the retention of the 130-mile basic day and the application of general wage increases to overmiles. But we do this because we view it as required by reasonable application of the Carriers-UTU package. Our purpose is to preserve – rather than enlarge – that package.

B. HEALTH BENEFITS

1. HEALTH AND WELFARE

TCU Proposal: No employee contribution. Increase benefits by $18.25 per employee per month effective date of agreement.

Carrier Proposal: Make employee-contribution share cumulative. No increase in benefits.

2. DENTAL INSURANCE

TCU Proposal: Enhanced benefits effective date of agreement.

Carrier Proposal: Enhanced benefits to be made effective January 1, 1999.

3. VISION INSURANCE

TCU Proposal: New program effective date of agreement.

Carrier Proposal: New program to be made effective January 1, 1999.

4. ELIGIBILITY FOR HEALTH AND WELFARE, DENTAL AND VISION PLANS

TCU Proposal: Retain one-day eligibility standard.

Carrier Proposal: Increase minimum service requirement from one to seven days in previous month.

Recommendation: It is our conclusion that the Carriers' proposals as shown above are fair and proper, are consistent with the terms under the UTU Agreement and the terms of the tentative BLE and BRS Agreements, and should therefore be adopted under the forthcoming TCU Agreement.

Acceptance of the TCU proposals, which include the retention of the one-day eligibility rule, would create a variance from the virtually uniform application of national insurance benefits. We see no good cause for creating such a variance. Even the IC-TCU negotiators essentially agreed to follow the changes produced by national bargaining. And there is nothing more burdensome for Clerks and Carmen in going to seven days under the eligibility rule than there is for Trainmen, Engineers or Signalmen.

The change which the TCU most strongly objects to concerns the employee premium contributions. The contributions not only are to be continued but also are to be increased beyond the levels recommended by Emergency Board 219. We understand the sensitive nature of an increase in the employees' share of premium costs, but we dissent from the TCU's position as unconvincing.

Even with the increase, the premium contributions which railroad workers are being asked to make are modest both intrinsically and relative to the level of the premium contributions made by the Carriers. By the TCU's estimate, the per-employee contribution over the five-year period ending on January 1, 2000, will be about $900. The Carriers' estimate is about $200 lower. Regardless of which figure is utilized, the evidence is clear that the majority of employees across the country in other industries make a far heavier contribution for far fewer benefits. And the evidence is also clear that the Carriers' per-employee contribution over that five-year period is about $36,000 – so that the employee's contribution amounts to only a little more than 2% of the full premium.

Further, the increase in the employee's premium contribution is at least partially offset by the coming employer-paid vision insurance and employer-paid improvements in dental insurance. The maximum calendar-year dental benefit (exclusive of orthodontics) will go up $500 to $1,500. Orthodontic treatment (lifetime) maximums will go up $250 to $1,000. The overall coverage will go from 75% to 80% for covered Type B Services. Coverage will also be added for sealants for certain adolescents and for implant repairs. The vision care program will allow an annual examination of the eyes and a biannual purchase of a set of frames and two sets of lenses.

In sum, we believe that the Carriers-UTU negotiators struck a fair bargain in the areas of Health and Welfare, Dental Insurance, and Vision Insurance. There are clear improvements in these areas taken together, and the costs of carrying healthcare programs have greatly increased in recent years. In return, the Carriers obtained a reasonable tightening of the eligibility rule and a reasonable increase in the employees' premium contributions. We see no cause for departing from the negotiated changes.

C. NATIONAL SALARY PLAN

TCU Proposal: Eliminate 11% wage grade reduction; offset on down bid; change EMR eligibility from A-Day to I-Day; make EMRs permanent.

Carrier Proposal: Maintain.

Recommendation: A National Salary Plan (NSP or Plan) covering all positions of employees represented by the Organization (except those of the Carmen's craft) was placed in effect through recommendation of Emergency Board 219, after endorsement by a review committee and subsequent Congressional action. In some instances, agreement was reached on all open matters prior to the final action of Congress. This was the case between the Carriers and the TCU, and the agreement included acceptance of the NSP, an 11 percent salary reduction (to be discussed further, below), as well as certain measures to modify adverse pay effects of both the NSP and the 11 percent reduction.

The Carriers propose that the NSP, with the 11 percent reduction as well as the modifying features, be continued unchanged. The TCU seeks to eliminate the 11 percent reduction and to continue some or all of the modifying provisions to offset the remaining adverse consequences of the Plan for those employees who were in active service prior to the Plan's initiation.

We stress that there are two major issues here: (1) the NSP itself and (2) the 11 percent reduction, together with its modifiers.

The National Salary Plan

As correctly stated by the Carriers, the NSP "represents the concerted effort by both the carriers and the Organization to reach a more rational, equitable and appropriate wage structure." In testimony, the Carriers expressed great concern that, after all this lengthy and generally cooperative work, the NSP should not be placed in danger of being abandoned.

We see absolutely no problem here. Abandonment of the Plan is sought by neither the TCU nor the Carriers, and we share the view that the Plan constitutes a great step forward and must be fully supported. The Chairman and members of the Wage Study Commission which formulated the Plan after years of study and effort, together with the Carriers and the TCU, are to be congratulated on their work. The Plan was accepted as beneficial to both parties and as in the interest of more efficient operation and greater reward for employee advancement.

The Elimination of the 11 Percent Reduction

While we do not propose to do away with the sensible fifteen-grade wage structure of the NSP, we are recommending that the 11 percent wage rate reduction be eliminated. This is the issue which we find appropriate for application as the equalizing component (for the Clerks) of which we spoke in the wage discussion. Our recommendation rests fundamentally on our finding that the Carriers-UTU settlement contains a substantial benefit which is not correspondingly present in a different form in the Carriers' offer to the TCU. It seems especially appropriate to target the NSP for this adjustment because, like the lifting of the freeze on UTU overmiles rate and the retreat from insisting on the 160-mile day, the 11 percent reduction was concessionary in nature, agreed to by the parties and influenced by Emergency Board 219.

It is difficult to determine the precise economic value of the retention of the 130-mile day and the lifting of the overmile freeze. This is because not all UTU employees are subject to overmiles or the mileage-based day. Also, the Board does not know to what extent overmiles constitute a mileage-based employee's pay. Rather than micro-analyze the economics, we prefer to take a broader view. As is true with many aspects of collective bargaining, proposals are viewed and valued differently by various parties. Proposals often have a demonstrable and critical "settlement value" as opposed to strict "economic value." In trying to balance the value of the Carriers' proposal to the TCU and the Carriers-UTU settlement, we need to make a judgment call. But in any event, it must be understood that we are not recommending an 11 percent enlargement of the Carriers-UTU package. The restoration of the 11 percent does not add 11 percent -- or anything like it -- to the package because most employees have been allowed to retain their original rates, known as Employee Maintenance Rates (EMRs).

There are other reasons, aside from the just-discussed equalization, which support our conclusion that the 11 percent reduction should be eliminated. The first reason is that the Wage Study Commission proceeded on the basis of preserving "a revenue neutral or fixed dollar daily payroll." That is, the Commission deliberately avoided any recommendations as to whether overall wage levels should be changed. It maintained this position even as it commented on the pay relationship of some railroad clerical positions being higher than those in other industries. And, as is confirmed by the present record, both parties accepted the Commission's "revenue neutral" position.

The next reason lies in the fact that many of the Carriers involved before Emergency Board 219 either did not impose the 11 percent reduction or applied it in a significantly modified manner. As examples, CSXT, Burlington Northern, Kansas City Southern, Port Terminal, and Houston Belt Terminal adopted permanent two-tier rates -- with existing employees at one rate and those hired after the Plan's acceptance at a lower rate. Southern Pacific did not install the Plan at all. Union Pacific applied only nine percent of the 11 percent reduction. Illinois Central is to restore two percent of the 11 percent over the course of its new Agreement and agreed to restore it all if that is what results from the current round of bargaining. Perhaps of greatest significance is that the reduction of 11 percent is inapplicable to carriers such as Grand Trunk Western and the Soo Line, which were not involved with Emergency Board 219. This data is as presented to the Board by the Organization. The Carriers provided similar but not identical information, offering as their version that CSXT and Kansas City Southern "opted out" of the National Salary Plan altogether.

Last we note there has been some catch-up between Carrier clerk rates and outside rates as reflected by adjusted PATC rates (PATC stands for National Survey of Professional, Administrative, Technical and Clerical Pay: Private Service Industries). It is appropriate to use these rates rather than develop new comparative rates because PATC rates were the cornerstone of the NSP and a rate progression arbitration. They also loomed significant in the proceedings of Emergency Board 219.

We make a series of recommendations in light of our conclusion that the 11 percent reduction should be eliminated:

1. With minor exceptions, the grades and salary rates recommended in the NSP should be reestablished, without any overall reduction. One exception is the continuance of the "200 percent slope" instead of the "220 percent slope" originally proposed, since it would obviously be unduly complex and disturbing to return to the 220 percent slope.

2. Employees are covered by EMRs in instances where their new rate under the Plan is less than their pre-existing rate. While the EMRs were originally proposed to be of limited duration, they were in many instances made permanent. The purpose of EMRs (or "red circle" rates) is to protect current employees from pay loss, while implementing revised rates for new employees and for those current employees who move upward to new positions. By eliminating the 11 percent reduction in the entire scale, all EMRs are automatically eliminated for employees whose EMRs are not up to 11 percent higher than the amount of their newly assigned permanent rate. For all others, the amount of the EMR is substantially reduced by restoration of the 11 percent. Thus, it is recommended that EMRs be continued only for the term of the moratorium arrived at for this bargaining round.

3. Consistent with what was negotiated for the Plan in the last bargaining round, EMRs should be increased by general wage increases and COLA payments. We reiterate that EMRs are to cease altogether, as provided in the recommendation just above.

4. There is some discrepancy among the various carriers as to the date up to which employees were to be initially entitled to EMRs. We leave such discrepancy to the parties to work out through interpretation of the existing language.

5. The terms of the 1991 National Agreement provide an employee with the choice to bid to the position with the highest wage grade rate available without change of residence or alternatively reducing the EMR by an amount equal to the difference between the wage grade rate for the employee's current position and the rate for the position the employee could have attained. We recommend that this be continued. We believe it expedient and proper, however, that employees who bid to a position with a wage rate lower than that of their current position should continue to have their EMR suspended rather than forfeited. The EMR would be restored in the event the employee moves up to a position with a salary grade equal to or above the grade from which the employee moved downward.

6. As to the timing of the elimination of the 11 percent reduction, we recommend that it be accomplished as soon as practicable but in no event later than six months following the date of the adoption of the new Agreement.

7. It should remain permissible for individual carriers and the TCU to agree to retain their pre-existing clerical salary structure or agree to some modification of our recommendations. Request for discussion of such possible variations must be initiated within 30 days of the date of the adoption of the new Agreement and must be put or retained in place within 60 days after such request has been made.

D. SKILL DIFFERENTIALS (CARMEN)

TCU Proposal: Increase existing differentials from 25 cents to 50 cents except for leadmen, which increases to $1.00. Establish new differential of 50 cents for positions requiring CDL. Differentials would be effective date of agreement.

Carrier Proposal: Add 20 cents at end of the Agreement to existing differentials.

Recommendation: As noted in our discussion respecting wages, there should be some enhancement in the Carriers' offer to the TCU in order for the value of its offer to approximate the settlement value of the Carriers-UTU package. The adjustment to the NSP is unique to the Clerks, and thus it is warranted to adjust some aspect of the Carriers' offer as it applies to the Carmen.

We have concluded that it is appropriate to make adjustments in the rate of skill differentials for those classifications now receiving such differentials. We recommend that the skill differentials now in effect for welders, write-up workers and layout or pattern workers be increased by 25 cents per hour. We recommend that the differential for leadmen be increased by 50 cents per hour. It is also our recommendation, consistent with our equalization objective and the Organization's Section 6 Notice, that these increases be applied retroactively to January 1, 1995.

The Board recognizes that the tentative BRS agreement provides for only a 20-cent per hour increase in differentials effective January 1, 2000. The higher amount and the earlier implementation, here, are appropriate for two reasons. First, the Signalmen have a higher base differential relative to Carmen. Second, the BRS differential has a broader application. The higher adjustment and earlier implementation, in other words, do not undermine the tentative BRS Agreement.

E. INTERMODAL WORK

TCU Proposal: A modified proposal to negotiate for no more than 90 days to bring additional intermodal work under the scope of the TCU Agreement. Failing agreement, there will be binding interest arbitration to establish pilot programs covering no fewer than 100 TCU employees per carrier to do intermodal work for duration of Agreement.
Carrier Proposal: Eliminate all restrictions.

Recommendation: The parties are essentially at opposite ends of the spectrum. The Carriers wish to eliminate all existing restrictions that might require them to utilize TCU employees for intermodal work. The TCU seeks a vehicle by which greatly to expand the scope of its jurisdiction over intermodal work.

It is noted that Emergency Board 219 faced the same basic proposals and declined to make a recommendation on the subject. Similarly, we believe that the retention of the status quo is the proper course. This preserves the freedom of individual committees and carriers to negotiate agreements suited to the particular circumstances as they exist at any given locale. In such negotiations the TCU is free to hold up, as a model, the Southern Pacific agreement or any other agreement. The local parties can best judge the applicability of such agreements to their individual needs.

F. ENTRY RATES

TCU Proposal: Carmen: three-year period at 85, 90 and 95%.
Carrier Proposal: No Change.

Recommendation: It is noted at the outset that neither the Carriers-UTU settlement nor the tentative agreements involving the BLE and BRS make any changes to the nearly uniform five-year entry rate structure as it exists throughout the industry. The principal exception to this uniformity is the Clerks, who won a three-year progression in interest arbitration subsequent to the issuance of the report of Emergency Board 219 and the adoption of the 1991 Agreement. This militates in favor of also granting the Carmen a three-year progression. We believe, however, that the prevalent structure should be given controlling weight. This is particularly true given the fact that for all practical purposes Carman Journeymen have a three-year progression now. Under Section 2 of the current rule, Carmen receive the full rate once they acquire Journeyman status, which is 732 days of work in the trade. Moreover, employees who are hired off the street as Journeymen start at the full rate. Journeymen are the clear majority of the Carman craft.

But there is a problem relating to intermodal workers, and others similarly situated, whose highest obtainable rate is 75% of the regular rate. It is unreasonable to require such an employee to start at 75% of the 75% rate and take five years to reach the already reduced rate. Accordingly, we recommend the adoption of an 85-90-95-100% three-year progression for these employees.

G. SHORT LINE SALES

TCU Proposal: Expand protection provided by law to minimum of one year's severance pay in all cases; first right of hire obligation on purchaser; voluntary recognition of union; obligation to negotiate first contract within certain period; arbitration, if necessary.

Carrier Proposal: Permit transfer to vacancies in other seniority districts and provide allowance under certain conditions. Alternative: No change.

Recommendation: The Board agrees that line sales which do not result in the imposition of labor protective provisions pose a problem. However, the TCU proposal goes too far in addressing the problem. A more reasonable and measured approach is set forth in Article VII of the Carriers-UTU Agreement and is hereby recommended. Notably, it provides for the right of employees to transfer to open positions and a $5,000 relocation allowance.

H. EXEMPT AND PARTIALLY EXEMPT POSITIONS

TCU Proposal: Adopt IC provision or establish a two-step process to cover partially and fully exempt positions.
Carrier Proposal: No change

Recommendation: The TCU proposal is premised on the contention that many positions are misclassified as exempt or partially exempt. The TCU argues that this diminishes placement opportunities by restricting the operation of seniority. It asserts that in 1975 sixteen percent of positions were exempt or partially exempt and that today the percentage is twenty-six. Thus the TCU urges, as the IC agreed, an immediate 20 percent reduction in exempt and partially exempt positions and another 20 percent within a year.

The Board accepts that it is more likely than not that there are positions, at least at some individual carriers, which are misclassified as exempt or partially exempt. However, a flat percentage reduction on a national basis is rejected as arbitrary. Instead, we recommend the following two-step process.

The first step is for the parties to meet nationally and negotiate the criteria which are to be applied on a system-wide basis. Failing agreement on the criteria to properly and reasonably distinguish exempt and partially exempt positions from non-exempt positions, the issue as to the proper criteria is to be referred to arbitration. (As used in this report, "arbitration" connotes arbitration in the usual "final and binding" sense.) The arbitrator's authority is to be limited to development of the criteria and is not to include the power to direct the conversion of any positions.

Once Step 1 is complete, notices may be filed on a property-by-property basis identifying those positions the TCU believes should be converted to non-exempt or partially exempt. Failing agreement, the notices shall be referred to arbitration on that property to determine the proper application of the national criteria.

I. CONTRACTING OUT (CARMEN)

TCU Proposal: 1991 Implementing Agreement except require government or carriers to pay costs of arbitration.
Carrier Proposal: Relax subcontracting restrictions.

Recommendation: The Carriers ask the Board for "a rule to remove all restrictions on the contracting out of mechanical work, including any set forth in local arrangements." The TCU provided us with extensive discussion as to its dissatisfaction with present Agreement provisions and resulting carrier practices for contracting out of work which the Organization contends can and should be performed by carrier forces.

Emergency Board 219 dealt in great detail with the subject of contracting out. Its report included provisions for expedited resolution, through arbitration if necessary, of contracting out disputes. This was offered with the hope of resolving such disputes possibly in advance of the performance of the work under the proposed contracting out and also of establishing locally some mutually acceptable principles which could avoid constant retesting through arbitration of virtually identical circumstances. To date, the parties have not instituted this recommended dispute-resolution arrangement. From the TCU's viewpoint, the stumbling block is that the arrangement calls for payment of arbitration costs by the parties rather than the National Mediation Board. In fact, the only Organization proposal before this Board (and apparently the only concern holding up initiation of the expedited system) is to have either the Carriers or the NMB take on the full cost of the expedited arbitration.

We endorse the concept of early, local, precedent-setting resolution of contracting out disputes, as recommended by Emergency Board 219. And we believe Emergency Board 219's rationale for the expedited dispute resolution system is sound. As a means of jump-starting this endeavor, we recommend that the arbitrator-cost recommendation made by Emergency Board 219 be retained in principle but executed in the following manner:

For the first ten claims requiring arbitration, the carrier is to pay the cost of the arbitrator (with each party paying for its own expenses). For the second ten claims requiring arbitration, the Organization is to pay the cost of the arbitrator (with each party paying its own expenses). This alternation is to continue as long as necessary. When there is one "lead" claim on which the parties have agreed other claims will be resolved, it is to be considered one claim for the purpose of this paragraph. This is to apply separately to each carrier having a TCU collective bargaining Agreement covering Carmen.

By this means, we are confident, the Organization will carefully review and select claims for resolution with each carrier and perhaps establish sufficient precedent-setting award results within a financially manageable number of arbitrations. For the carriers, we suggest that payment for the first ten cases would prove cost effective if this achieves lasting results; in any event, the next ten cases would be at the Organization's expense.

J. WRECKING SERVICE (CARMEN)

TCU Proposal: Restore wrecking crews.
Carrier Proposal: Eliminate remaining requirements to call wrecking crews to assist contractors.

Recommendation: The TCU seeks to "revise the current Wrecking Service Rules and Agreements to provide for the reestablishment of any wrecking crews that had been abolished after the National Wrecking Agreement of 1975 went into effect, whether the carrier has or has not maintained the wrecking derrick outfit, and eliminate all use of contractors for wrecking service". In complete contrast, the Carriers ask for the abolishment of the "expensive and unproductive requirement" of the use of any carrier wrecking crews.

This issue is in reality an extension of the controversy as to the degree and in what manner the Carriers have the authority to contract out work – here, the use of outside equipment and personnel rather then the use of carrier forces and equipment in wrecking service.

The Mediation Agreement of December 4, 1975, Article VII, Wrecking Service, established the requirements which the Carriers agreed to fulfill whenever the equipment of a contractor is used pursuant to rules or practices. Article VII reads in pertinent part as follows:

> When pursuant to rules or practices, a carrier utilizes the equipment of a contractor (with or without forces) for the performance of wrecking service, a sufficient number of the carrier's assigned wrecking crew, if reasonably accessible to the wreck, will be called (with or without the carrier's wrecking equipment and its operators) to work with the contractor. The contractor's ground forces will not be used, however, unless all available and reasonably accessible members of the assigned wrecking crew are called. The number of employees assigned to the carrier's wrecking crew for purposes of this rule will be the number assigned as of the date of this Agreement. . . .

We do not find sufficient justification to disturb the general intent of the 1975 Mediation Agreement, which provides for the use of outside services but maintains some participation by carrier forces. However, the record shows (as indicated by a number of Awards submitted by the TCU) that controversy remains as to the final sentence concerning the "number of employees assigned to the carrier's wrecking crew". The Board recommends that the Carriers and the TCU meet, either on a national basis or by individual carrier, to reach some modification or clarification of this sentence. Such meeting and discussion should be held within 60 days of the date of the adoption of the Agreement; failing bilateral resolution, the matter should be referred to arbitration either on a national basis or on an individual carrier basis. The question at issue should be whether or not this sentence should be retained as is, revised, or deleted.

K. BRIAN FREEMAN FEE

TCU Proposal: Carrier should pay disputed fee.

Carrier Proposal: Invalid demand.

Recommendation: The TCU raised an issue concerning payment allegedly due to Brian Freeman Enterprises, Inc., which agreed in 1987 to provide "financial, advisor and investment banking services" to the Railway Labor Executives' Association, of which the TCU was then a member. Court action ensued by Freeman against both certain Organizations (including the TCU) and certain carriers. In particular, the United States District Court, Middle District of Florida, Jacksonville Division, determined that CSXT (one of the affected carriers) was not liable for payment of such fees.

The Organization seeks to have us direct the Carriers to pay the fees which the TCU may owe to Freeman.

We find that this is not a proper subject for review under our jurisdiction, and we thus reject the TCU's proposal.

The first proposal is to increase the SSB payment at any time the RUIA benefit goes up. The Carriers argue that this would simply increase the proportion of sickness pay as related to active duty pay. The Carriers point out further that they bear completely the cost of RUIA benefits. We believe this requested change would distort the supplementary purpose of the SSB Plan, and we recommend against it.

The second proposal is to make the change in the supplemental payment as each GWI occurs, rather than waiting until the end of the Agreement. The Carriers contend there is a "cushion" to absorb the loss of increased benefits until the end of the Agreement. We note that the "cushion" arrangement was negotiated by the parties some years ago to compensate for the very problem the Carmen are now raising. We therefore recommend against the proposal.

N. AIR BRAKE (ELECTRONIC) SYSTEMS WORK AND TRAINING

TCU Proposal: Carmen: specify that work in relation to various electronic and other advanced systems shall be reserved as Carmen's work; training shall be provided by the Carrier to qualify Carmen for such assignments.
Carrier Proposal: No change in Agreement language.

Recommendation: As to the question of training employees to perform increasingly technical work which may be assigned to them, the Carriers offered the TCU the assurance that it would obviously be in the Carriers' own best interests to provide such training and that they would do so.

L. 401 K PLAN

TCU Proposal: Contributory Plan (25% Match).

Carrier Proposal: Non-contributory Plan.

Recommendation: We note that the parties have agreed to adopt a 401 K Plan to allow employees to set aside a portion of their pay and earn investment returns on a tax-deferred basis. We assume that participation in the 401 K Plan will be optional on the part of each employee. We view the adoption, itself, of a 401 K Plan as progress for the employees and believe that the question of carrier matching of a portion of the funds invested by the employees is reasonably left for determination on another day.

M. SUPPLEMENTAL SICKNESS BENEFIT PLAN (CARMEN)

TCU Proposal: Automatic increase of allowable monthly maximums; adjust maximum benefit payment as each GWI is applicable, instead of at the end of the Agreement.

Carrier Proposal: No automatic increase of allowable monthly maximums; retain adjustment of maximum benefit payment at the end of the Agreement.

Recommendation: The Supplemental Sickness Benefit (SSB) Plan provides a specified payment as an addition to available benefits under the Railroad Unemployment Insurance Act (RUIA). This specified payment is changed at the end of each Agreement to reflect higher wage levels. However, the SSB Plan benefit does not change if and when RUIA benefits increase by law. The TCU seeks two changes.

The Board is not prepared to recommend new language to assign to the Carmen specific technical tasks as they may develop. Obviously involved here would be the interests of other crafts as well as the carrier's judgment. As new methods and equipment are developed, it is up to the carriers and the various Organizations to review the proper jurisdiction of such work.

O. OTHER ISSUES

We note that the parties have reached agreement on three issues which were before us: retention of seniority, savings clause, and Carmen intermodal rate reduction.

This leaves a number of issues which were submitted to us and which have not been addressed in this report. They are variously raised either by Carrier proposal, or by TCU proposal, or by conflicting proposals from both parties. We recommend the withdrawal of all of these proposals. They involve subject matters as to which Agreement changes are not warranted based on the present record.

P. MORATORIUM

TCU Proposal: Omit pending local notices.
Carrier Proposal: All inclusive.

Recommendation: The parties surely recognize that, upon reaching accord as to open issues, there should be a moratorium period, during which they agree no Section 6 Notices will be served. The Carriers seek to have the Board recommend a moratorium for five years, covering all matters, whether or not raised in pending Section 6 Notices. This would dispose of all currently open issues, whether national or local (that is, affecting only a single carrier). The TCU urges a moratorium which specifically excludes such local issues as are currently under negotiation and not yet resolved or withdrawn.

We remind the parties that our jurisdiction is limited to those issues brought to us under National Mediation Board Case Nos. A-12707 and A-12731. It is to the interest of both parties that there be a moratorium for the period covered by the recommended wage changes, in this instance until January 1, 2000. As to local issues currently under negotiation and not before us for resolution, it is to be expected that the parties will reach accord or otherwise dispose of these issues simultaneously with the adoption of the new national Agreement provisions. We are not disposed, however, to recommend that these local issues simply be abandoned.

We thus recommend a moratorium on new Section 6 Notices until November 1, 1999. This is not intended to inactivate such currently pending local Section 6 Notices as have not been referred to us for resolution.

VII. SUMMARY OF RECOMMENDATIONS

The preceding section incorporates recommendations to the parties for settlement of their dispute. For ease of reference, we here summarize them:

1. A five-year wage program which includes COLA adjustments, general wage increases, and lump-sum payments.

2. Health Benefits:

   a. Employee contribution share to be cumulative.

   b. Enhanced dental insurance program, effective January 1, 1999.

   c. New vision insurance program, effective January 1, 1999.

   d. Change in eligibility requirement for service in previous month from one day to seven days.

3. Clerks: Continuation of National Salary Plan, elimination of 11 percent reduction, revision in application of EMRs, and changes in bidding restrictions.

4. Carmen: Increase in skill differentials.

5. Intermodal Work: Maintenance of status quo.

6. Carmen: Modification to compress wage progressions for "75%" employees.

7. Establishment of certain employee rights and benefits in short-line sales.

8. Clerks: Study of criteria for exempt and partially exempt positions, with resulting reduction in number of such positions as may be appropriate; separate arbitration for determination of criteria and for conversion to non-exempt and partially exempt status of particular positions.

9. Carmen: Effectuation of contracting out recommendations of Emergency Board 219, with alternating method for payment of arbitration costs.

10. Carmen: Negotiation and resolution of dispute (through arbitration, if necessary) over "number of employees assigned to the carrier's wrecking crew," as laid down in the particular sentence in Article VII.

11. Brian Freeman Fee: The TCU's proposal is rejected.

12. Establishment of non-contributory 401 K Plan.

13. Carmen: Supplemental sickness proposals: the recommendation is against both proposals.

14. Carmen: Air brake (electronic) systems work and training proposal: the recommendation is against the proposal.

15. Moratorium on new Section 6 Notices until November 1, 1999, to be effective January 1, 2000 or thereafter.

16. The parties reached agreement on three issues, and the Board recommends the withdrawal of all issues which were submitted to it by either the Carriers or the TCU or both and which have not been addressed in this report.

Needless to say, we urge both parties to give earnest consideration to our recommendations and thus to arrive at a full settlement of their current dispute – which would launch a sustained period of productive cooperation between the parties, clearly to the their mutual benefit.

Rolf Valtin, Chairman

Herbert L. Marx, Jr., Member

Gilbert H. Vernon, Member

EXECUTIVE ORDER

13001

ESTABLISHING AN EMERGENCY BOARD TO INVESTIGATE A DISPUTE BETWEEN CERTAIN RAILROADS REPRESENTED BY THE NATIONAL RAILWAY LABOR CONFERENCE AND THEIR EMPLOYEES REPRESENTED BY THE TRANSPORTATION COMMUNICATIONS INTERNATIONAL UNION

A dispute exists between certain railroads represented by the National Railway Labor Conference and their employees represented by the Transportation Communications International Union. The railroads involved in this dispute are designated on the attached list, which is made a part of this order.

This dispute has not heretofore been adjusted under the provisions of the Railway Labor Act, as amended (45 U.S.C. 151 *et seq.*) (the "Act").

In the judgment of the National Mediation Board, this dispute threatens substantially to interrupt interstate commerce to a degree that would deprive a section of the country of essential transportation service.

NOW, THEREFORE, by the authority vested in me as President by the Constitution and the laws of the United States, including section 10 of the Act (45 U.S.C. 160), it is hereby ordered as follows:

Section 1. Establishment of Emergency Board ("Board"). There is established effective May 3, 1996, a Board of three members to be appointed by the President to investigate the dispute. No member shall be pecuniarily or otherwise interested in any organization of railroad employees or any railroad carrier. The Board shall perform its functions subject to the availability of funds.

Sec. 2. Report. The Board shall report to the President with respect to the dispute within 30 days of its creation.

Sec. 3. Maintaining Conditions. As provided by section 10 of the Act, from the date of the creation of the Board and for 30 days after the Board has made its report to the President, no change, except by agreement of the parties shall be made by the railroads or the employees in the conditions out of which the dispute arose.

Sec. 4. Records Maintenance. The records and files of the Board are records of the Office of the President and upon the Board's termination shall be maintained in the physical custody of the National Mediation Board.

Sec. 5. Expiration. The Board shall terminate upon the submission of the report provided for in sections 2 and 3 of this order.

William J. Clinton

THE WHITE HOUSE,

May 8, 1996.

Certified to be a True Copy

RAILROADS

Alameda Belt Line Railway
Alton & Southern Railroad
American Refrigerator Transit Company
Arkansas Memphis Bridge Company
Atchison, Topeka and Santa Fe Railway Company
Bangor and Aroostook Railroad Company
Belt Railway Company of Chicago
Brownsville & Matamoros Bridge Company
Burlington Northern Railroad Company
- Allouez Taconite Facility
- Brainerd Timber Treating Plant
- Western Fruit Express Company

Camas Prairie Railroad Company
Canadian National North America
Central California Traction Company
Chicago Heights Terminal Railroad
Chicago Heights Terminal Transfer Railroad
Chicago and North Western Railway Company
Chicago South Shore and South Bend Railroad
Consolidated Rail Corporation
CSX Transportation, Inc.
- The Baltimore and Ohio Railroad Company (former)
- The Chesapeake and Ohio Railway Company (former)
- Louisville and Nashville Railroad Company (former)
- Seaboard Coast Line Railroad Company (former)

Houston Belt and Terminal Railway
Joint Railroad Agency - National Stock Yards
The Kansas City Southern Railway Company
- CP-Kansas City Southern Joint Agency

Kansas City Terminal Railway Company
Lake Superior & Ishpeming Railroad Company
Los Angeles Junction Railroad Company
Missouri Pacific Railroad
New Orleans Public Belt Railroad
Norfolk and Portsmouth Belt Line Railroad Company
Norfolk Southern Corporation
Norfolk Southern Railway Company
- The Alabama Great Southern Railroad Company
- Atlantic & East Carolina Railway Company
- Central of Georgia Railroad Company
- The Cincinnati, New Orleans and Texas Pacific Railway Company
- Georgia Southern and Florida Railway Company
- Norfolk & Western Railway Company
- Tennessee, Alabama and Georgia Railway Company

Northern Indiana Commuter Transportation District
Peoria and Pekin Union Railway Company
The Pittsburgh, Chartiers & Youghiogheny Railway Company
Port Terminal Railroad Association
Portland Terminal Railroad Company
Spokane International Railroad
Terminal Railroad Association of St. Louis
Texarkana Union Station Trust Company
Union Pacific Fruit Express
Union Pacific Railroad
- Galveston, Houston and Henderson Railroad
- Missouri-Kansas-Texas Railroad
- Oklahoma, Kansas & Texas Railroad

Western Pacific Railroad
Wichita Terminal Association