

ISSUE BRIEF

The Railway Labor Act

The Railway Labor Act (RLA) has enabled stable labor relations in the railroad and airline industries for over 75 years. The RLA has guided labor–management relations through difficult periods, including deregulation, mergers, bankruptcies and several economic downturns, and has resolved 97 percent of all contract negotiations in the airline industry without any disruption of transportation service. Congress should reject one-sided legislation that would give employers an upper hand in contract negotiations by denying workers the right to vote on their own collective bargaining agreements.

The Railway Labor Act (RLA) of 1926 established the right of workers in the railroad industry to organize and bargain collectively through their elected representatives. In 1936, the RLA was extended to air transportation workers and employers. Today, about one million rail and air transport workers are covered by the RLA. Under the RLA, the National Mediation Board (NMB) is charged with resolving disputes between labor and management while minimizing air and rail disruption. Certain airlines are now promoting legislation that would eliminate workers’ democratic right to vote on their own collective bargaining contract, forcing workers to accept terms dictated by an arbitrator.

The RLA almost always produces consensus settlements in the airline industry. The RLA has produced consensus settlements between labor and management in 97 percent of airline industry contract negotiations, avoiding worker strikes, employer lockouts, and government intervention, as stated by the NMB.

The RLA is designed to encourage labor–management consensus. Under the RLA, both unions and employers have a judicially binding obligation to “exert every reasonable effort to make and maintain agreements concerning rates of pay, rules, and working conditions.” The U.S. Supreme Court has called this obligation “the heart of the RLA.”

The RLA creates numerous impediments to strikes and lockouts. Under the RLA, if either the employer or the union proposes changes to an expiring contract, workers cannot strike and employers cannot lock workers out until all RLA procedures are exhausted. Either the union or the employer can request mediation by the NMB, or the NMB may proffer mediation on its own initiative. There is no limit to the duration of direct bargaining or NMB mediation, and neither party is allowed to walk away from negotiations. The NMB only releases the parties if it determines that further mediation would be unsuccessful and either party rejects binding arbitration. If the NMB releases the parties from mediation, a strike or lockout cannot occur until after a 30-day cooling-off period. If the president appoints a presidential emergency board (PEB) to help resolve a dispute that threatens “to deprive any section of the essential transportation service,” no strike or lockout is permitted for another 60 days. Rejection by either party of the PEB’s nonbinding recommendations triggers another 30-day coolingoff period.

Congress has additional options to prevent disruption of transportation service. Congress retains the ability to further delay any disruption of transportation service. Particularly in the rail industry, Congress has imposed settlements (usually based on PEB recommendations), created a second PEB and taken other actions to extend negotiations—sometimes in ways that workers considered heavy handed and inappropriate.

Any changes to the RLA should be implemented by consensus and administratively through the NMB. In 1994 the Commission on the Future of Worker–Management Relations, known as the Dunlop Commission, concluded that any changes to the RLA should be adopted administratively and through consensus.

RLA procedures already favor employers. Because contracts under the RLA remain in effect until the parties commit to a new agreement, employers can game the system by prolonging negotiations for months, sometimes years. Employers are thereby able to make workers wait long periods of time before getting a raise. The RLA contains no firm time limit for the conclusion of bargaining or mediation nor any provision for retroactive pay to workers who are denied pay raises by employer stalling tactics.

Airline-sponsored legislation would tilt the playing field even further in favor of employers. Denying workers the right to vote on their own collective bargaining contract would eliminate risk for employers—the risk, already exceedingly remote under the RLA, that workers might reject the proposed contract and exercise their democratic right to strike. But in so doing, it would also eliminate workers’ only negotiating leverage and reduce employers’ incentive to bargain in good faith. The real purpose of this legislation is to change the rules of the game to give airline companies the upper hand in contract negotiations.

Airline-sponsored legislation would jeopardize workers’ democratic rights. Denying workers the right to vote on their own collective bargaining contracts would also deny them the opportunity to hold their duly elected union leadership accountable, thereby threatening union democracy. Workers would be left with no voice in determining their economic futures and with their livelihoods in the hands of disconnected arbitrators who do not understand the issues.

Workers are not to blame for management failures. While some airlines are currently experiencing financial difficulties, workers are not to blame. Southwest Airlines is the nation’s most unionized airline, but is also the nation’s most profitable airline. Southwest Airlines opposes the legislation sponsored by other air carriers. During every major economic downturn in the industry’s history, including the current crisis, employees have worked to save airlines from insolvency. In fact, the RLA system of collective bargaining has produced billions of dollars in relief for several ailing airline companies in just the past few months.