

Rail Contract Ends Long Wait



Nearly 8,000 Machinists at the nation's Class 1 freight railroads stood tall, strong and together for more than five and a half years to win a new contract.

After five and a half years of negotiations and thousands of emails, cards and visits with lawmakers to spur negotiations, the IAM announced a long-awaited agreement for 7,800 members employed by the Class 1 railroads of the National Carriers' Conference

Committee.

Earlier this year, the IAM sued the National Mediation Board (NMB), the agency charged with overseeing air and rail negotiations, charging the board with obstructing the talks and refusing to release the parties from mediation.

"These negotiations were extremely difficult and

unprecedented in length," said IAM Railroad District 19 President Joe Duncan. "Through it all, the IAM never lost its focus on our goal of delivering a fair agreement to our members."

The Negotiating Committee recommended ratification and members concurred, approving the pact by nearly a three-to-one margin. The new agreement included retroactive general wage increases of 12 percent over the life of the accord and no retroactive contributions to medical insurance.

"After more than 67 months of negotiations, the IAM overcame an anti-worker administration and an uncooperative National Mediation Board," said Transportation General Vice President Robert Roach, Jr. "This agreement is a testament to the solidarity of the IAM's rail membership who remained strong and supported their negotiators."

Amtrak in the Crosshairs... Again

In a move that would leave many American cities without passenger rail service, members of Amtrak's board of directors, all appointed by President Bush, approved a plan to break up the rail carrier.

The plan, approved on Sept. 22 and not disclosed to the

public until now, included carving out the lucrative Northeast Corridor route between Boston, MA and Washington, D.C.

"The Bush Administration wants to hold a fire sale at Amtrak and dump its best asset, the Northeast Corridor," said New Jersey

Democratic Senator Frank Lautenberg. "[It's] the first step in President Bush's plan to destroy Amtrak and inter-city rail service in America."

Congress approved funding to preserve Amtrak operations, but President Bush said he may veto the bill needed to keep Amtrak rolling.

Northwest Airlines, the latest U.S. airline to declare bankruptcy, promptly filed legal motions to dissolve labor contracts covering Machinists, Flight Attendants and Pilots.



Airlines Attracted by Bankruptcy

With more than half the travelers in North America now flying on planes operated by carriers in bankruptcy, Chapter 11 has become the excuse of choice for airline executives seeking to restructure their way out of failed business plans.

Like bees drawn to honey, the nation's largest airlines find bankruptcy court to be practically irresistible. Northwest Airlines (NWA) recently moved in for a landing just as US Airways prepared for another try at operating outside the courthouse.

Delta, Northwest and Comair teamed up to make airline history in September, filing for Chapter 11 bankruptcy within hours of one another. Meanwhile, United Airlines continues to lead all others for the

amount of time spent in bankruptcy, operating under court supervision for more than three years.

Even smaller carriers, such as Aloha, ATA and Mesaba are not immune to the pandemic of bankruptcies.

Thanks to a free market mentality that views employee pensions and benefits as ripe targets of opportunity, Wall

Street investors and financiers continue to applaud the moves to bankruptcy, regularly lining up to provide financing for bankrupt carriers.

For the 14,000 Machinists union members at Northwest Airlines, the next several months will include difficult negotiations aimed primarily at preserving pensions and union contracts themselves.

On October 12, Northwest filed motions to dissolve labor contracts at NWA if replacement agreements are not reached and ratified.

"It's no secret what can be done to labor contracts in bankruptcy," said Transportation GVP Robert Roach, Jr. "But the IAM has also demonstrated what it can accomplish in bankruptcy, preserving defined benefit pensions and above-average wages and benefits for members at United Airlines and US Airways."



IAM representatives met with attorneys and financial advisors in Minneapolis to plan an aggressive campaign to protect members employed at Northwest Airlines.