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Published on JOC.com (<https://www.joc.com>)[Home](#) > US trade groups urge Biden to re-engage to avert rail strike**Teri Errico Griffis, Associate Editor** | Oct 27, 2022 4:23PM EDT

Sick leave continues to be a negotiation holdout for rail union workers who want more than the currently offered three days. Photo credit: Shutterstock.com.

A broad coalition of more than 300 US industry groups, including retailers, farmers, and chemical exporters, on Thursday urged President Joe Biden to directly engage again with Class I railroads and unions after a second union rejected the tentative contract agreement agreed to in September, stoking fears of a mid-November national strike.

The groups, in a joint letter to Biden, expressed concern that only six of the nation's 12 rail unions have ratified the tentative agreement the White House helped broker Sept. 15. Labor and management remain in a "status quo" period until Nov. 19 — five days after Congress returns following mid-term elections. Without support from all unions, a strike could legally occur that day, shutting down the country's entire freight rail system.

"We continue to urge that the contracts be ratified to provide stability and predictability to the system," the groups said in their letter to Biden. "Your involvement can only help make that happen and ensure there is no interruption to rail service."

On Wednesday, The Brotherhood of Railroad Signalmen, which represents more than 6,000 workers, became the second union to vote to reject the tentative mid-September deal. Six of the 12 unions involved have already voted to accept the tentative deal and four have yet to vote, including the country's two largest rail unions — The Brotherhood of Locomotive Engineers and Trainmen (BLET) and Sheet Metal Workers Air, Rail, and Transportation Workers Transportation Division (SMART-TD). Both will announce the results of voting between Nov. 17 and Nov. 21.

A primary holdup for union workers is the lack of paid sick days being offered in the proposed new contract. The Brotherhood of Maintenance of Way Employees Division (BMWED), the first union to reject the agreement on Oct. 21, is pushing for 56 hours of paid sick time annually. Management has countered that it provides higher wages and generous long-term sick leave benefits in exchange for unpaid short-term sick days. Previous contracts have granted rail unions two personal days per year, and the tentative agreement reached in September would up the total to three.

A Presidential Emergency Board (PEB) that was created in July recommended a compounded 24 percent wage increase covering 2020 through 2024 and a total of \$5,000 in bonus payments for workers.

## Optimism and concern

Although fears of a potential strike loom again, Schneider National CEO Mark Rourke said he's seeing fewer shippers try to divert from rail to truck compared with the September deadline, pointing toward more confidence of potential federal intervention this go around. Congress has the power to end a strike or lockout and force an agreement on the parties.

"I would characterize the sentiment presently — doesn't mean this wouldn't change — is that they think there'll be some type of a perhaps more government intervention this time as opposed to letting a strike actually occur," Rourke said Thursday on an earnings call.

Union Pacific Railroad's CEO Lance Fritz also expressed optimism during a third-quarter earnings call Oct. 20 that US Class I railroads will be able to avoid a strike next month despite BMWED members voting against the tentative agreement.

Still, Larry Gross, president and founder of Gross Transportation Consulting and a JOC analyst, said Thursday that the threat of a national rail strike "should be taken seriously."

"Rail labor rank-and-file members are seriously discounted and relations with management are at a low point," Gross said in a post on Twitter. "The key question is, if there is a strike, will a legislative solution be quickly imposed?"

"That likely would have been true in the past," Gross added. "But to me, relying on 60 senators to reach quick agreement on anything in the current political climate is a high-risk strategy."

Indeed, White House press secretary Karine Jean-Pierre said Wednesday the parties should not rely on Congressional action for relief.

"As the president has said for months, any shutdown would be completely unacceptable," Jean-Pierre said. "It is the responsibility of the parties involved to resolve this issue. Any idea that kicking this to Congress will result in a quick or favorable outcome is deeply misguided."

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