Collective Bargaining Under the Railway Labor Act

The Railway Labor Act (RLA) has governed collective bargaining between rail carriers and labor unions since 1926.

The principal purposes of the RLA are to provide for the settlement of disputes concerning rates of pay, work rules and working conditions; guarantee employees the right to choose their representatives or choose to be unrepresented; and avoid interruptions to commerce from strikes or work stoppages.

To accomplish these goals, the RLA channels various kinds of labor disputes into mandatory procedures for resolution, including negotiation, mediation and arbitration. The RLA also established the National Mediation Board (NMB), an independent agency within the Executive Branch. One of the NMB's primary functions is to mediate labor disputes and assist the parties in reaching agreement.

The RLA allows railroads to negotiate on an individual basis or as part of a multi-employer group.

Railroads engaging in multi-employer bargaining — often referred to as "national handling"— are represented at the bargaining table by the National Carriers Conference Committee (NCCC), which includes the chief labor relations officers from each of the Class I carriers.

The NCCC is a committee of the National Railway Labor Conference (NRLC), which was established in 1963 and represents most of the Class I railroads and many smaller rail carriers in a variety of labor-related matters. The Chairman of the NRLC also serves as the Chairman of the NCCC.

Railroad employees are organized into "crafts or classes" for the purposes of representation. The carrier must negotiate with whichever entity is selected as a representative by the majority of employees in each class or craft. There are currently 12 unions representing the Class I railroads' approximately 125,000 employees. Unions may also negotiate independently or as part of a multi-union coalition.

Approximately 84% of the Class I railroads' workforce is unionized, earning an average annual compensation — wages plus benefits — of $132,000 in 2018, a compensation package in the top 6% of American industries.

Key Facts

- For more than 90 years, the **Railway Labor Act (RLA)** has governed the national, multi-employer bargaining between freight railroads and the labor organizations representing railroad employees.
- The **National Mediation Board (NMB)** is an independent agency within the Executive Branch that mediates labor disputes, helping parties reach agreement.
- The **National Railway Labor Conference (NRLC)** represents most of the Class I railroads and many smaller rail carriers in a variety of labor-related matters.
- The **National Carriers Conference Committee (NCCC)** — part of the NRLC — includes the chief labor relations officers from each of the Class I carriers which participate in multi-employer bargaining.
- **"Section 6 Notices"** describe any proposed changes to an existing collective bargaining agreement and are the first step to modifying an agreement, triggering a lengthy process before settlements are reached.



$130,200
Average annual compensation of the Class I railroads' workforce in 2018, including wages and benefits.

The procedures for bargaining under the RLA differ from those under the National Labor Relations Act, which governs collective bargaining in most other industries.

One notable example is that collective bargaining agreements under the RLA typically do not expire; rather, they remain in effect until modified by the parties. National railroad agreements often contain "moratorium" clauses that limit any new proposals for changes for a set amount of time, usually five years.

The first step in modifying an agreement is the issuance of a "Section 6 Notice" describing any proposed changes. This triggers a lengthy process, often occurring over multiple years, that may include direct negotiations, mediation, arbitration, multiple "cooling off" periods, and, in some cases, presidential appointment of an "emergency board" to recommend terms for settlement.

It is only after all of those steps are exhausted that parties are permitted to engage in strikes or other self-help.

Bargaining under the RLA is a tested and trusted system.

The length and complexity of the RLA process is intentional. It was designed to facilitate negotiations, narrow disputes, and give the parties every opportunity to reach voluntary agreements.

These agreements have provided workers with great-paying jobs and have helped sustain the most efficient, robust freight network in the world. The RLA recognizes that the parties themselves are in the best position to settle their own disputes and that government should only intervene when those efforts fail.

The heart of the RLA is the duty on both sides to exert every reasonable effort to make and maintain collective bargaining agreements, which is in the interest of not just employees and railroads, but everyone who depends on rail transportation.

Visit **RailLaborFacts.org** for more information



Over the past 30 years, there have only been two days of service disruptions arising from national rail bargaining, the last one of which was in 1992.



Thousands of collective bargaining agreements have been reached since the RLA was enacted in 1926.