

# **The Railway Labor Act Simplified**

## **Purpose For Legislation**

To avoid work stoppages that threaten to substantially interrupt interstate commerce to a degree such as to deprive any section of the country essential transportation services.

## **Railway Labor Act Enacted**

Decades of railroad labor unrest which included widespread and often violent work stoppages frequently pitted federal soldiers against striking railroad workers. In 1924, President Calvin Coolidge urged both Railroads and Unions to recommend legislation for better labor/management relations and reduce the threat of railroad shutdowns. Railroads and their unions jointly drafted legislation, whose premise is that arms-length negotiations (jaw-jaw, not war-war) promote more stable labor relations. Formally signed by President Coolidge on May 20, 1926, this new law was designated the Railway Labor Act of 1926 (RLA).

The RLA was the first federal law guaranteeing the right of workers to organize and join unions and elect representatives without employer coercion or interference.

The RLA makes it the duty of all carriers and their employees to exert every reasonable effort to voluntarily settle disputes.

## **Who is covered by the RLA**

The RLA applies to freight and commuter railroads, airlines, companies directly or indirectly controlled by carriers who perform services related to transportation of freight or passengers and the employees of these railroads, airlines and companies.

## **The RLA contains five basic purposes**

- To avoid any interruption to commerce.
- To ensure an unhindered right of employees to join a labor union (added in 1934).
- To provide complete independence of organization by both parties to carry out the purposes of the RLA.
- To assist in the prompt and orderly settlement of disputes covering rates of pay, work rules, or working conditions.
- To assist in the prompt and orderly settlement of disputes growing out of grievances or out of the interpretation or application of existing contracts covering the rates of pay, work rules or working conditions.

## **“Major” and “Minor” Disputes**

Major Disputes—matters affecting rates of pay, rules and working conditions; and, making or modification of the collective bargaining agreement between the parties. Almost total reliance upon collective bargaining for dispute settlement. Self-help permitted after negotiation and mediation procedures are exhausted.

Minor Disputes—grievances growing out of the interpretation or application of collective bargaining agreements. National Railroad Adjustment Board (NRAB) or alternative boards of adjustment have exclusive jurisdiction over grievance disputes. Self-help not allowed.

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## **Collective Bargaining Agreements (CBA's) under the RLA**

Contracts remain in force until changed. Either party seeking to amend existing CBA's must provide 30-day written notice as to desired changes. (Section 6 RLA). There is no time limit by which contracts must be negotiated to avoid a work stoppage. Under Section 6 of the act either side may propose changes to an existing collective bargaining agreement, but agreements (for purposes of stability and labor peace) generally contain agreed upon moratorium clauses that provide no change may be demanded on specified subjects for a prescribed period of time.

Once Section 6 notices proposing changes to an existing agreement have been served, the parties must maintain the status quo (no strikes or lockouts or promulgation of changes) until all procedures of the RLA have been fully exhausted.

For major disputes over wages, benefits and working conditions, the RLA provides for a three-member National Mediation Board, appointed by the president and confirmed by the Senate, with the power to mediate any dispute between carriers and their employees at the request of either party or upon the board's own motion.

There is no time limit on the mediation procedure. The NMB controls the schedule of talks and only the NMB may release the parties from mediation.

If the NMB is unable to bring about an amicable settlement of the controversy through mediation, the board is required to use its influence to induce the parties voluntarily to submit to binding arbitration. The law is specific in that arbitration is voluntary and not compulsory.

If both sides voluntarily agree to binding arbitration, an Arbitration Board of up to six members is to be established. Carriers and labor each select an equal number of arbitrators, who then select the additional member or members.

## **Presidential Emergency Board**

If either labor or management decline voluntary arbitration, and if in the opinion of the NMB the continuance of the controversy threatens substantially to interrupt interstate commerce in any section of the nation, the NMB is required to notify the President of the United States, who may, at his discretion, create a fact-finding Presidential Emergency Board.

The parties must maintain the status quo (no strikes or lockouts) for 30 days. If the president chooses not to appoint an emergency board, strikes or lockouts may occur after the 30-day cooling-off period.

Emergency boards are comprised of neutral members whose job is to make an investigation and submit to the president, within 30 days of its creation, a fact-finding report with non-binding recommendations for procedures or terms on which a dispute might be settled. During this period, the parties must maintain the status quo (a second 30-day cooling-off period).

Upon submission of the PEB report, the parties are required to maintain the status quo for an additional, or third 30-day cooling-off period (they may mutually agree to extend the period of status quo). The non-binding recommendations of the PEB are expected to carry the weight of public opinion and induce a voluntary agreement among the parties.

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At this point, the RLA has run its course. If no agreement has been reached, either side becomes free to act in its own economic interests -- a work stoppage (or strike) by labor, a lockout by management, or unilateral implementation of management proposals (that generally would force a work stoppage).

However, Congress frequently imposes its own settlement. Such congressional action is not part of the RLA. The constitutional authority for Congress to impose its own settlements is found in Article 1, Section 8 of the Constitution's commerce clause.

### **NMB conducts elections**

NMB defines the craft/class of employees eligible to vote extending to all employees performing a particular job function throughout the company's operations, not at particular site or region. Union must produce authorization cards or other proof of support from at least 35% of the craft or class if not represented; and 50% + 1 if employees are represented. RLA requires that the Union receive a majority of votes from the entire craft or class, rather than a majority of those who choose to vote. RLA contains no unfair labor practice procedures; however, the NMB is required to insure the choice of representatives without interference or coercion by the carrier and can decide to run another election if it finds that carriers conduct violated the obligations under Section 2.

### **Examining the RLA**

Amended significantly only twice:

- To create the NRAB to arbitrate minor disputes.
- To include Airlines under the act.