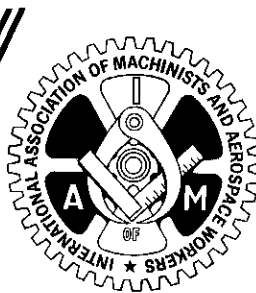


**International
Association of
Machinists and
Aerospace Workers**



197419
9000 Machinists Place
Upper Marlboro, Maryland 20772-2687

Area Code 301
967-4500



OFFICE OF THE GENERAL VICE PRESIDENT

File: Surface Transportation Board

February 29, 2000

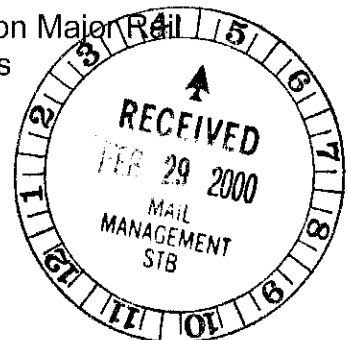
Subj: Public Views on Major Rail
Consolidations

Surface Transportation Board
Office of the Secretary
Case Control Unit
Attn: STB Ex Parte No. 582
1925 K Street, NW
Washington, DC 20423-0001

RECEIVED
Office of the Secretary

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To whom it may concern:

Please find enclosed an original and ten copies of the International Association of Machinists and Aerospace Workers' comments with regard to STB Ex Parte No. 582. Also enclosed is a diskette containing the comments formatted in Corel WordPerfect 7.0.

Thank you for your consideration.

Sincerely,

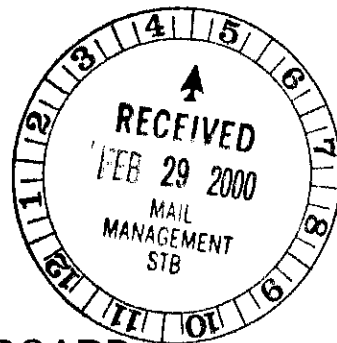
Robert Roach, Jr.
General Vice President

RR/mft

Enclosures

cc: Celona
Filipovic

197419



BEFORE THE SURFACE TRANSPORTATION BOARD

OFFICE OF THE SECRETARY

FEB 29 2000

In the Matter of Ex Parte No. 582

Part of
Public Record

PUBLIC VIEWS ON MAJOR RIAL CONSOLIDATIONS

COMMENTS OF
THE INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS

Robert Roach, Jr.
General Vice President
International Association of
Machinists
and Aerospace Workers
9000 Machinists Place
Upper Marlboro, MD 20772
301-967-4564

The International Association of Machinists and Aerospace Workers (IAM) submit these comments in response to the Board's Notice of January 24, 2000.

The IAM represents workers in the class and craft of Journeyman Machinists and Machinist's Helpers on all the Class I railroads in the United States.

Our comments will be directed primarily on the issue of abrogating Collective Bargaining Agreements (CBA), commonly referred to as "cram down."

Before we focus on the issue of cram down, and while not taking a position on this proposed merger at this time, experience has shown rail labor that most recent mergers have not accomplished the profitability, stability, efficiencies, or enhanced the quality of life for the railroad members we represent.

Contrary, recent mergers have created more chaos, insufficient service to shippers, disruption to the economy and a workforce that has lost much in the interest of efficiency. All we have to do is look at the grid-lock created in Houston after the approval of the Union Pacific (UP) Southern Pacific (SP) merger.

UP, formerly one of the best run railroads in the country, overstated what they could accomplish.

While I personally can't attribute the five accidents on the UP after the merger approval with the SP, a reliable conclusion can be drawn: the UP was ill prepared to tackle and integrate its operations with the SP.

But all of us know by all the reports that the merger created chaos, disruption to service, and actual gridlock. UP went so far as to attempt to move goods via the water ways because of the congestion created by the merger.

There is no doubt that labor has frowned upon and more times than none, opposed mergers. That is because the railroads, in our belief, have another arm of the government promoting their self interest, not that of the shippers, the employees or the public at large. What I'm saying here is that the shippers have lost, the workers have lost and the American people have lost.

As far as labor interest goes because of the so called "cram down" provisions, our members have lost gainful employment, had

their work sub-contracted out and lost the morale to be a satisfied work force.

Railroads insist and the Surface Transportation Board (STB) and its predecessor, the Interstate Commerce Commission (ICC), concur that the discretionary power to abrogate CBA is necessary for the implementation of the transaction.

Since 1983, the ICC or this Board except in one case which was a transaction involving a small railroad in Wisconsin, the Fox Valley and Western, a subsidiary of Wisconsin Central, Ltd., has in every situation allowed the Railroads to override CBAs, if that impeded the necessary implementation of the transaction.

The Railroads have nothing to lose by demanding the elimination of unfavorable CBAs to foster their self-interests.

It can be argued that this issue can be arbitrated; and we agree. However, that in reality is nothing more than a perception. In recent memory, no arbitrator has ruled in favor of Labor because of "cram down;" and no arbitrator will because the burden of proof upon a Railroad is so minimal under this Board's president.

Major labor-management conflicts have erupted as a result of this Board's policy regarding "cram down" and to that end, this Board must seriously consider its policy on this specific issue.

Last year, this Board approved the merger of the Canadian National and the Illinois Central . The IAM initially opposed the merger but after negotiations with the Carrier, the IAM withdrew its opposition. Why? The reasons are many, but the main reason was that the Railroad acknowledged that the Agreements in effect would stay in effect until such time as amended, or changed by the procedures. Together the IAM and CN/IC were able to reach an implementing Agreement that was favorable not only to the Railroads, but employees as well.

As stated previously, the IAM has not taken an official position on this merger, however, we are concerned about the possibilities of American workers being transferred to Canada. The Board is well aware such transactions raise issues of extraterritorial application of United States laws; transfer of work from one country to another.

We are concerned because experience has shown us over and over, that work assigned to not only Machinists but other railworkers is

sub-contracted out. And the IAM wants that all employees have pre-certification before that merger is approved.

Finally, there are many other issues of contention which we will not at this time burden the Board with; however, of paramount importance is the “cram down” issue.

For that reason alone, the Board must seriously consider a moratorium on future mergers.

Respectfully submitted,

Robert Roach, Jr.
General Vice President
International Association of Machinists
and Aerospace Workers