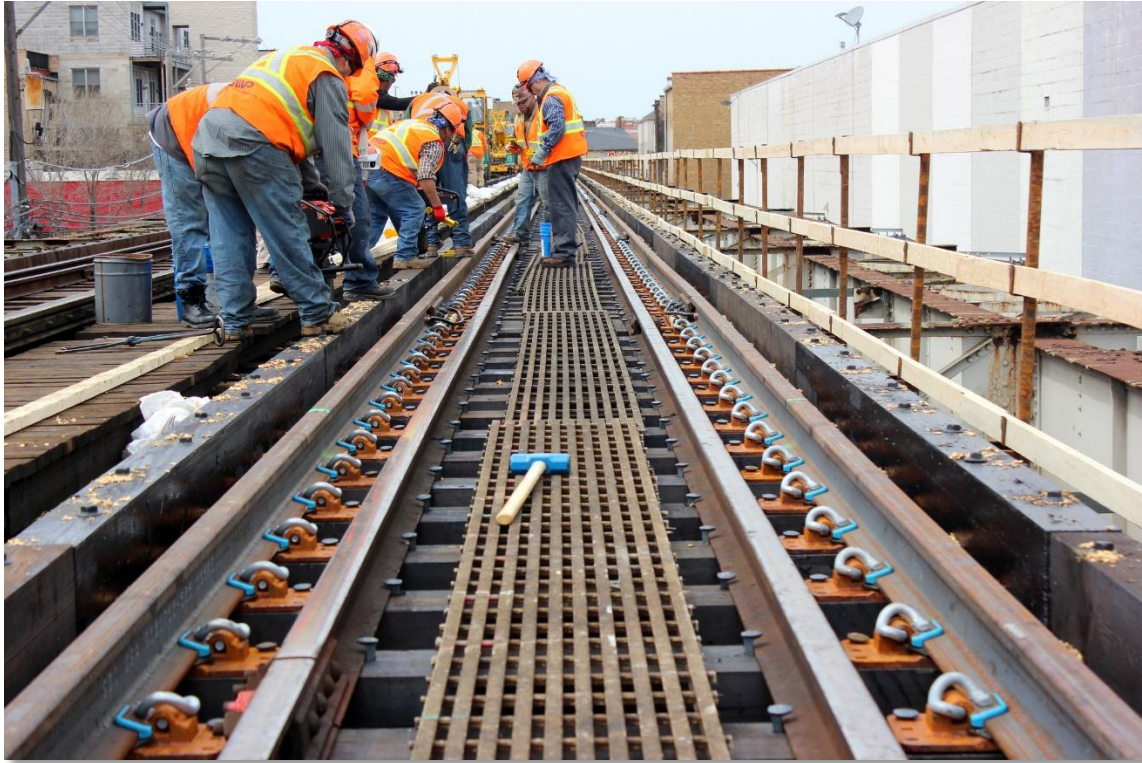


RAILROADING FROM THE GROUND UP: LEGAL ENVIRONMENT ASSURES GOOD OUTLOOK FOR ENTRY LEVEL POSITIONS



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Railroading from the Ground Up: Legal Environment Assures Good Outlook for Entry Level Positions

For more than a decade, the Bureau of Labor Statistics has cited “railroad operations” as one of the best-paying careers for high school graduates. At a time when entry jobs, if available at all, pay under \$10 per hour, railroad conductors are still starting at \$25 per hour with the opportunity to quickly achieve annual earnings of \$50,000. True, working conditions and hours away from home on the spare board are dreadful. And it is true that more companies are looking for graduates from technical or community two-year colleges. (See “So you Want to Work for the Railroad,” *Trains Magazine*, October 2008.) But opportunities are there which the entry-level trainman would not find anywhere else.

Why is railroading considered a good career when other industrial employment has dried up? For one thing, railroads are doing fairly well. Deregulation, which proved a disaster for airline operations and employment, helped the railroads slim down, price competitively, and achieve economies of scale through mergers. The Milwaukee and Rock Island are long gone, but the trunk-line railroads that remain are in rather good shape, carry more freight, and carry it faster. There are fewer trains and less trackage, but the industry has become more productive. Two-person crews are the norm, and they move a huge amount of freight. Amtrak is still hiring and commuter carriers are, in many instances, expanding.

The industry is heavily unionized, and labor’s high productivity enables the railroads to pay higher-than-average wages. The Railway Labor Act requires representation by “craft,” which eliminates most jurisdictional disputes. Once a contract has been signed, it stays in effect indefinitely—until one side or another posts Section 6 notices with an intent to change. Although the current bankruptcy code allows a company (even an airline) filing for bankruptcy to abrogate a collective bargaining agreement, railroads are not free to do so.

Since deregulation, there have been massive changes within the transportation industries. Some critics have singled out the fact that, despite these changes, railroads and airlines continue with their separate systems of labor relations. Few of these critics come from within the railway labor bar. Practitioners and the parties have long preferred working with a statute where the results are predictable, and labor peace is a high priority. The status quo seems to favor rail labor, as opposed to the situation faced by other transportation unions. From management’s point of view, most changes are minor issues and are adjusted by the National Railroad Adjustment Board (which is not subject to judicial review).

In other areas, special institutions such as the Railroad Retirement System and the Federal Employers Liability Act (which consigns work-related railroad injuries to a common law tort system instead of worker’s compensation) combine to make working on the railroad a much better deal than most industrial employment. At this writing, there isn’t much sympathy for a statutory change. And with the retirement of the current generation of railroaders (like this writer) the rails are still hiring!

Bill Thoms has been interested in transportation since his formative years as a crew caller for the now-defunct New York, New Haven & Hartford Railroad while attending law school. He has written and lectured extensively in the field of transportation law, with a particular interest in railroad issues.