

NMB2011



Chairman's Letter

November 14, 2011

The National Mediation Board (NMB) is an independent, federal agency that addresses collective-bargaining, representation and grievance disputes in two of the nation's key transportation sectors: the railroads and airlines. The agency is headed by a three-member board, appointed by the President and confirmed by the Senate.

Already quite successful in achieving its mission, the NMB continued during FY 2011 to seek out and implement improvements in agency operations. In the spirit of the President's Open Government initiative, the NMB acted upon several recommendations of an external review committee comprised of carrier and union experts. For example, the NMB collaborated with the parties subject to the Railway Labor Act and instituted an "expedited mediation" program to shorten the length of collective bargaining negotiations. For specifics on other actions rendered, see the Chief of Staff letter in the Management Discussion and Analysis section of this Annual Report.

The Board also created an Arbitrator Forum, a working group consisting of rail carrier and labor representatives, to guide improvements and developments in railroad arbitration. The NMB continued its assault on unresolved railroad arbitration grievances: 4,294 cases were closed in FY 2011, setting a new record for the lowest number of cases pending at 2,384.

As one of President Obama's hiring-reform initiatives, the National Mediation Board transitioned to the USA Staffing system last year. This year, the NMB further streamlined its hiring process by initiating background investigations prior to new-hires reporting for duty. This has reduced the hiring process by ten days.

In order to streamline the agency's mandatory and voluntary collective-bargaining and grievance dispute-resolution processes during FY 2011, the NMB Office of Alternative Dispute Resolution Services (ADRS) was merged into the Office of Mediation Services and renamed to Office of Mediation and ADR Services

(OMAS). This improved the coordination and utilization of scarce agency personnel and resources. The highest number of NMB mediation cases since FY 2007 and the highest number of ADR cases since FY 2008 were acted on and closed in FY 2011.

Agency resources for representation and legal affairs were stretched to the limit in FY 2011. The largest number of representation cases since FY 2004 was closed out. The agency made several single-carrier determinations in airline merger situations, conducted a number of very large nationwide representation elections, and is still investigating several allegations of election interference.

Lastly, I wish to note that the agency's paperless Records Management System earned an award for "Outstanding Achievement in Records Management" from the National Archives and Records Administration. This was the second award the NMB has received in Records Management.

This Performance and Accountability Report includes a comprehensive set of performance Goals and Results pursuant to the Government Performance and Results Act. Also incorporated, as required, are the NMB Financial and Management Assurances reports. Because the NMB is not subject to the CFO Act, this Annual Report may not contain some of the information required of CFO Act agencies.



Linda A. Puchala
Chairman

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Mission Statement

The National Mediation Board (NMB) was established by the 1934 amendments to the Railway Labor Act (RLA) of 1926. It is an independent, federal agency performing a central role in facilitating harmonious labor-management relations within two of the nation's key transportation sectors: the railroads and airlines.

The NMB is headed by a three-member board appointed by the President and confirmed by the Senate. The members self-designate a Chairman typically on a yearly basis.

Pursuant to the Railway Labor Act*, the Agency's integrated dispute-resolution processes are designed to promote the following three statutory goals, enabling the National Mediation Board to effect its mandate to minimize work stoppages in the railroad and airline industries:

1. The resolution of disputes arising out of the negotiation of new or revised collective bargaining agreements;
2. The effectuation of employee rights of self-organization where a representation dispute exists; and
3. The resolution of disputes over the interpretation or application of existing collective bargaining agreements.

In order to realize these goals, the NMB Chief of Staff oversees an Office of Administration and two offices that house program areas: (1) Office of Mediation and ADR Services, and (2) Office of Arbitration Services. The Office of Legal Affairs constitutes the third program area. For further information, see the Management Discussion and Analysis section of this Annual Report.

* The Railway Labor Act (RLA) provides a comprehensive statutory framework for the resolution of labor-management disputes in the airline and railroad industries. Enacted in 1926 as a collaborative effort of labor and management, the RLA succeeded several previous federal statutes dating back to 1888. The 1926 Act provided for mandatory Mediation and voluntary Arbitration of railroad disputes in contract negotiations, as well as for Presidential Emergency Boards to enhance dispute resolution. Key amendments to the Act in 1934 established a three-member National Mediation Board (NMB) and authorized the resolution of employee Representation disputes by the NMB. In 1936, the jurisdiction of the RLA was expanded to include the airline industry. The 1981 amendment to the Act permitted the creation of specialized Presidential Emergency Boards for collective bargaining disputes at certain commuter railroads.

ABOUT THE NMB

NMB STRUCTURE

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NMB Structure

CHAIRMAN AND MEMBERS OF THE BOARD

Linda Puchalaⁱ
Chairman

Elizabeth Dougherty
Member

Harry Hoglanderⁱⁱ
Member

• **Libby Angelopoulos**
CA to Chairman Puchala

• **Layton Griffinⁱⁱⁱ**
CA to Member Dougherty

• **Robin Stein**
CA to Member Hoglander

CHIEF OF STAFF

Daniel Rainey, Chief of Staff

- **Samantha Williams**
Special Assistant to COS
- **Donald West**
Public Information Officer
- **Charles Montague**
Supervisory Program Analyst
- **April Dawson**, Program Analyst
- **Dean Wagner^{iv}**, Program Analyst
- Interns^{vii}

GENERAL COUNSEL

Mary Johnson
General Counsel

OFFICE OF ARBITRATION SERVICES

Roland Watkins, Director

- **Carol Conrad**
Supervisory Arbitration Specialist
- **Darrell Dancer**, Paralegal Specialist
- **Tia Little**
Program Management Specialist (ARB)
- **Kimberly McCann**
Program Management Assistant (ARB)
- **Linda Gathings**
Program Management Assistant (ARB)

OFFICE OF MEDIATION AND ADR SERVICES^{vi}

Larry Gibbons, Director

- **Pat Sims**, Senior Mediator
- **Denise Hedges**
Senior Mediator (ADR)
- **Terri Brown**, Senior Mediator
- Mediators
Jack Kane, John Livingood, Anthony Tosi, Gerry McGuckin, James Mackenzie, Victoria Gray, C. Anthony Iannone, Michael Kelliher, Walter Darr, Andrew Nordgren
- **LoValerie Mullins**
Mediator (ADR)
- **Karen Burton**
Mediation Program Specialist

OFFICE OF ADMINISTRATION

June D.W. King, Director

- **Amandeus Watkins**, Budget Officer
- **Denise Murdock**
Program & Management Analyst
- **Steven Thomas**
Support Service Specialist
- **Bruce Conward, Jr.**
Support Service Specialist
- **Terran Walker**
Support Service Specialist
- **Florine Kellogg**, Receptionist

OFFICE OF LEGAL AFFAIRS

- **Kate Dowling**, Associate GC
- **Norman Graber**, Counsel
- **Eileen Hennessey**, Counsel
- **Susanna Parker**, Counsel
- **Cristina Bonaca**, Counsel
- **Angela Heverling**, Counsel
- **Timothy Sweeney**
Paralegal Specialist
- **Tonya Kirksey**
Program Support Specialist
- **Elijah Crayton^{viii}**
Program Support Specialist

i Became Chairman on July 1, 2011.

ii Served as Chairman in this fiscal year through June 30, 2011.

iii Replaced Anne Woodson on October 11, 2011.

iv Served as a Paralegal in the Office of Legal Affairs until April 25, 2011.

v Joined the agency on October 11, 2011.

vi The Office of Alternative Dispute Resolution (ADR) merged with Mediation in this fiscal year.

viii Brad Kinkade, Michelle Rossi, and Aaron Seyedian served the NMB during FY 2011 under the agency's Brunkenhoefer-Lee-Moneypenny Internship Program.

ABOUT THE NMB

BOARD MEMBERS

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Board Members



Linda Puchala
Chairman

Ms. Linda A. Puchala assumed Chairmanship of the National Mediation Board (NMB) for a second time effective July 1, 2011 through June 30, 2012.

Nominated by President Barack Obama, she was confirmed as Member of the National Mediation Board by the United States Senate on May 21, 2009. She was sworn in on May 26, 2009, completing the term of her predecessor as Chairman through June 30, 2009. Ms. Puchala's current term as Member runs through June 30, 2012.

Prior to becoming a Member, Ms. Puchala served 10 years at the National Mediation Board as a Mediator, Sr. Mediator-ADR, and Associate Director of Alternative Dispute Resolution Services. Ms. Puchala's prior labor relations experience includes work as International President of the Association of Flight Attendants-CWA, AFL-CIO and Staff Director, Michigan State Employees Association, AFSCME, AFL-CIO.

Ms. Puchala resides in Glen Burnie, Maryland, and holds a Bachelor's degree in Business Administration from Cleary University in Howell, Michigan. She has two daughters, Jennifer Adams of Pasadena, MD and Jessica Puchala of Grand Rapids, MI.



Elizabeth Dougherty
Member

Ms. Elizabeth Dougherty, a Member of the National Mediation Board (NMB) since December 13, 2006, has twice served as Chairman: from July 1, 2009 through June 30, 2010 and also from December 13, 2006 through June 30, 2007. She was nominated by President George W. Bush and subsequently confirmed by the U.S. Senate on December 8, 2006.

Prior to joining the Board, Ms. Dougherty most recently served as Special Assistant to the President for Domestic Policy at the White House, where she covered labor and transportation issues. Prior to that, she served as Chief Counsel for the United States Senate Subcommittee on Employment, Safety and Training. Earlier in her career, she was an Associate at Hogan & Hartson, practicing labor and employment law.

Ms. Dougherty received her bachelor's degree from Duke University and her JD from the University of Virginia. She currently resides in Washington, DC, with her husband, Paul, and their two children.

ABOUT THE NMB

BOARD MEMBERS (CONT.)

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Board Members



Harry Hoglander
Member

Mr. Hoglander was first confirmed as member of the NMB by the United States Senate on August 1, 2002, and reconfirmed for a second term on December 8, 2006, and a third term on July 24, 2009. He has served three times as Chairman of the Board, most recently from July 1, 2010 through June 30, 2011.

Prior to joining the Board, Mr. Hoglander served as a Legislative Specialist in the office of Congressman John Tierney of Massachusetts with responsibilities in Transportation issues including aviation, rail and maritime, Labor, Defense and Veterans Affairs.

Member Hoglander has an extensive background in the aviation industry and labor relations, having flown as a Captain for Trans World Airline (TWA) and being elected Master Chairman of TWA's Master Executive Council. He was also elected Executive Vice-President of the Air Line Pilots Association. After leaving TWA, Mr. Hoglander was named Aviation Labor Representative to the United States Bi-Lateral Negotiating Team by then Secretary of State James Baker.

Mr. Hoglander was also a pilot in the United States Air Force, retiring with the rank of Lt. Colonel. He graduated from Suffolk University Law School and is a member of the Florida Bar.

Member Hoglander and his wife Judith reside in Magnolia, Massachusetts. They have six grown children and twelve grandchildren.

ABOUT THE NMB

EXECUTIVE DIRECTORS

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Executive Directors



Daniel Rainey
Chief of Staff

Daniel Rainey is the Chief of Staff for the National Mediation Board. He joined the NMB from private practice in ADR and conflict management in April, 2001.

As Chief of Staff, he is responsible for managing the agency's internal programs, and he has full responsibility for implementing the Board's policies in all matters coming under its jurisdiction in the administration of the Railway Labor Act, except for those related to the Board's legal representation program and FOIA requests.

Immediately prior to coming to the NMB, Mr. Rainey was the owner/president of a consulting firm specializing in conflict management, conflict intervention, and training. From 1978 through 1990, he was a faculty member and administrative faculty member at George Mason University.

His memberships and associations include: the Association for Conflict Resolution, the American Bar Association Section of Dispute Resolution, the National Center for Technology and Dispute Resolution, and the Conflict Resolution Quarterly Editorial Board.



Mary Johnson
General Counsel

Mary L. Johnson is General Counsel of the National Mediation Board. As General Counsel, she serves as the Chief Legal Officer of the agency and manages the Board's representation program and a legal program which includes litigation. In this role, Ms. Johnson provides legal advice to the Board Members and agency staff. In addition, she ensures compliance with the Freedom of Information Act, Government in the Sunshine Act, and other statutes.

Several months prior to her becoming General Counsel on December 15, 2002, Ms. Johnson was appointed Acting Director of the Board's Office of Legal Affairs. She had served as the Board's Litigation Counsel since March, 2000. She has also been the agency's Designated Ethics Official since November 2002, and prior to that, Alternate Designated Ethics Official from 1996. Ms. Johnson joined the National Mediation Board as a Hearing Officer in December 1980, and became a Senior Hearing Officer in 1989.

Ms. Johnson received her Juris Doctor from the University of Connecticut School of Law and her A.B. from Barnard College. She is a member of the Connecticut Bar and public Co-chair of the Railroad and Airline Labor Committee of the Labor and Employment Law Section of the American Bar Association.

ABOUT THE NMB

DIRECTORS

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Directors

**Larry Gibbons**

Director, Mediation and ADR Services

Larry Gibbons joined the Board in September, 1997 as a Senior Mediator. Currently, Mr. Gibbons is the Director of Mediation and has overall responsibility for the administration and management of mediation cases in the airline and railroad industries as well as the Agency's Alternate Dispute Resolution Program.

Mr. Gibbons brought to the Board 25 years of experience in personnel and labor relations, practicing under both the NLRA and RLA. Immediately prior to joining the NMB, he headed Human Resources and Labor Relations with ABX Air, Inc. (Airborne Express) for 12 years and for two years was an independent labor relations consultant. He is a past President and Member of the AIRCON Executive Board. Mr. Gibbons was also actively involved in community activities including serving on a Board of Directors for the United Way and an Adult Rehabilitation Workshop.

Mr. Gibbons earned a Bachelor of Science degree in Journalism from Ohio University, and he served as an officer in the United States Army.

**Roland Watkins**

Director, Arbitration Services

Roland Watkins joined the National Mediation Board in February, 1980. During his career at the Board, he has been a Senior Hearing Officer and Legal Counsel. He has also served as counsel/special assistant to numerous Presidential Emergency Boards and Congressional Advisory Boards.

Currently, Mr. Watkins serves as the Director of the Arbitration Department, where he is responsible for all aspects of Grievance and Interest Arbitration in the airline and railroad industries. These responsibilities include administering railroad Public Law Boards, Special Boards of Adjustment and Arbitration Boards. He serves as the Administrator for the National Railroad Adjustment Board which is located in Chicago, Illinois.

Mr. Watkins received his B.A. degree in Economics from Lafayette College located in Easton, Pennsylvania, and his Juris Doctor from Cornell Law School in Ithaca, New York. He is a member of the Railroad and Airline Labor Committee and the Dispute Resolution Committee of the Labor and Employment Law Section of the American Bar Association.

ABOUT THE NMB

DIRECTORS (CONT.)

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Directors



June D.W. King
Director, Office of Administration

June D.W. King is currently the Director of Administration (OA) and Chief Information Officer (CIO) for the National Mediation Board. As the OA Director, she is responsible for the Board's administrative management functions, which include strategic planning and budgeting; accounting and finance; human resources management; procurement and contracting; and internal audit and evaluation. As the CIO, she has direct authority for the NMB's policies and practices of the Board's Information Technology Program.

She serves as the NMB's principal management official on all the Small Agency Councils in the areas of administration, human resources and information technology. She is also a member of the Small Agency Council Executive Committee and the Chief Information Officers' Committee.

Mrs. King received her Bachelor's degree in Business Administration with a concentration in Accounting from the University of the District of Columbia.

ABOUT THE NMB

REGISTRY OF BOARD MEMBERS

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Registry of Board Members

Name	Start Date	Status	End Date
Linda A. Puchala	05-26-09	Active ¹	--
Elizabeth Dougherty	12-13-06	Active ²	--
Read Van de Water	12-11-03	Term Expired	05-22-09
Harry R. Hoglander	08-06-02	Active ³	--
Edward J. Fitzmaurice, Jr.	08-02-02	Term Expired	12-13-06
Francis J. Duggan	11-22-99	Retired	11-21-03
Magdalena G. Jacobsen	12-01-93	Retired	08-02-02
Ernest W. DuBester	11-15-93	Resigned	08-01-01
Kenneth B. Hipp	05-19-95	Resigned	12-31-98
Kimberly A. Madigan	08-20-90	Resigned	11-30-93
Patrick J. Cleary	12-04-89	Resigned	01-31-95
Joshua M. Javits	01-19-88	Resigned	11-14-93
Charles L. Woods	01-09-86	Resigned	01-15-88
Helen M. Witt	11-18-83	Resigned	09-18-88
Walter C. Wallace	10-12-82	Term Expired	07-01-90
Robert J. Brown	08-20-79	Resigned	06-01-82
Robert O. Harris	08-03-77	Resigned	07-31-84
Kay McMurray	10-05-72	Term Expired	07-01-77
Peter C. Benedict	08-09-71	Deceased	04-12-72
David H. Stowe	12-10-70	Retired	07-01-79
George S. Ives	09-19-69	Retired	09-01-81
Howard G. Gamser	03-11-63	Resigned	05-31-69
Robert O. Boyd	12-28-53	Resigned	10-14-62
Leverett Edwards	04-21-50	Resigned	07-31-70
John Thad Scott, Jr.	03-05-48	Resigned	07-31-53
Francis A. O'Neill, Jr.	04-01-47	Resigned	04-30-71
Frank P. Douglass	07-03-44	Resigned	03-01-50
William M. Leiserson	03-01-43	Resigned	05-31-44
Harry H. Schwartz	02-26-43	Term Expired	01-31-47
David J. Lewis	06-03-39	Resigned	02-05-43
George A. Cook	01-07-38	Resigned	08-01-46
Otto S. Beyer	02-11-36	Resigned	02-11-43
John M. Carmody	07-21-34	Resigned	09-30-35
James W. Carmalt	07-21-34	Deceased	12-02-37
William M. Leiserson	07-21-34	Resigned	05-31-39

¹ Term expires July 1, 2012.

² Term expired July 1, 2010.

³ Term expired July 1, 2011.

Management Discussion and Analysis

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AND RESULTS



**MANAGEMENT DISCUSSION
AND ANALYSIS**

CHIEF OF STAFF LETTER

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Chief of Staff Letter

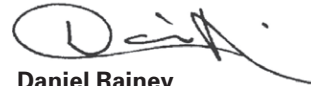
During Fiscal Year 2011, the National Mediation Board entered its 77th year as the agency responsible for promoting harmonious relations among carriers and labor organizations in the airline and railroad industries.

As Chief of Staff, I am responsible for implementing the Board's policies in all matters coming under its jurisdiction in the administration of the Railway Labor Act and managing the agency's internal programs. This includes oversight of the Mediation/ADR, Arbitration and Administrative functions of the NMB. Legal Affairs and Representation matters remain under the supervision of the agency's General Counsel.

The Chief of Staff position was created by the Board in response to a recommendation by the Dunlop Committee Reports Review Committee (Dunlop II), a group of carrier and organization experts called upon by the NMB in 2009 to review the progress the agency had made since the original report of the industry labor-management committee prompted by recommendations in a report by the Dunlop Commission of 1995. The Dunlop II reports and recommendations are available in the NMB Open Government web pages at <http://www.nmb.gov/open/collaboration.html>.

In addition to reconstituting the Office of Chief of Staff, many other recommendations from the Dunlop II Report were acted upon. (See the table on the next page.)

In short, FY 2011 was a critical year for many of the progressive programs the Board has launched. These initiatives demonstrate that the National Mediation Board continues to play an important role in managing conflict in the airline and railroad industries, and continues to lead other agencies in transparency and open government.



Daniel Rainey
Chief of Staff

**MANAGEMENT DISCUSSION
AND ANALYSIS**

CHIEF OF STAFF LETTER

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Dunlop II Responses

Recommendation	Response
Address the length of the process of mediation.	The NMB has worked with the parties to encourage better preparation, and better results in direct negotiations. In addition, the Board has instituted an "expedited mediation" program for those parties interested in shortening the length of Section 6 negotiations.
Create an improved case management system.	The NMB has improved its case management system and is in the process of rolling out a web-based system for all filings and requests for services.
Improve Mediator reports and case monitoring.	The NMB has rewritten and updated the Mediator Handbook, revising the standard mediation reports to include an initial comprehensive case plan and a report on progress after each meeting.
Assess Board Member involvement and coordination.	The NMB Board Members are now appointed earlier in the process for each case, and the assigned Board Member(s) more closely monitors each case.
Address Mediator staffing and case coverage.	For the first time in several years, the NMB is now at full strength in its mediator corps.
Identify and train other staff to assist with mediation duties.	Staff in ADR Services and Arbitration have been trained to engage in training and grievance mediation services, and a new Mediator-ADR is in place and available for training and development.
Revamp recruitment and selection.	The NMB has instituted the new USA Staffing system that streamlines and improves the hiring process. Coupled with a more assertive recruitment process, the Board has attracted highly qualified candidates for staff positions, and it has worked with the parties to diversify and improve the roster of arbitrators who routinely hear railroad cases.
Improve Mediator training.	A new mediator orientation process is in place. Training for Mediators was conducted in calendar 2010 and will be repeated in calendar 2011. This "recurrent" training is planned as an annual event, above and in addition to the routine training that is part of every Mediator's Individual Development Plan.
Engage in more outreach.	The NMB has created the Arbitrator Forum, a working group consisting of rail carrier and labor representatives, to guide improvements and developments in the Section 3 area. The NMB has also become more active in addressing industry conferences and conventions regarding its range of mediation and facilitation services.

Mediation and ADR

Larry Gibbons, Director

In the latter part of Fiscal Year 2011, the Office of Alternative Dispute Resolution Services (ADRS) was merged into the Office of Mediation Services and renamed to Office of Mediation and ADR Services (OMAS).

OMAS manages mandatory **Mediation** of collective bargaining disputes pursuant to statutory authority under "Section 6" of the Railway Labor Act (RLA), which is applicable to both the airline and railroad industries. The **ADR** component offers voluntary dispute resolution programs to the parties including facilitation, grievance mediation, training, and other dispute resolution efforts.

For this fiscal year, Mediation and ADRS are discussed separately below. Also, for the purpose of this Annual Report, no effort is made to separate from ADRS other functions that were reorganized during FY 2011.

Note A complete list of acronyms is given at the back of this annual report.

Mediation Overview

The RLA requires labor and management to exert every reasonable effort to make and maintain collective bargaining agreements. Initially, the parties must give notice to each other of their proposals for new or revised agreements. Direct Negotiation between the parties must commence promptly and continue in an effort to conclude a new collective bargaining agreement or to narrow their differences. Should parties fail to reach agreement during Direct Negotiations, either party or the parties jointly, may apply to the NMB for Mediation. Following receipt of an application, the NMB promptly assigns a mediator to assist the parties in reaching an agreement. [An application for NMB mediation services may be obtained from the Agency's web site at www.nmb.gov.]

The NMB is obligated under the Act to use its "best efforts" to bring about a peaceful resolution of the dispute. If such efforts do not settle the dispute, the NMB advises the parties

and offers Interest Arbitration (proffers arbitration) as an alternative approach to resolving the remaining issues. If either party rejects this offer of binding arbitration, the NMB releases the parties from formal Mediation. This release triggers a thirty-day Cooling Off period, during which the Agency continues to work with the parties to achieve a consensual solution to the dispute. However, if an agreement is not reached by the end of the thirty-day period and the U.S. President does not establish an Emergency Board, the parties are free to exercise lawful self-help, which includes carrier-imposed working conditions or a strike by the union/organization.

For a flow-chart of Mediation procedures, see the Mediation section of the NMB website at www.nmb.gov. For more information on Emergency Boards, see the Representation and PEBs section of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

MEDIATION AND ADR

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Mediation Highlights

In Fiscal Year (FY) 2011 mediators faced similarities from the previous year as they continued to work in a very challenging bargaining environment anchored by a fragile economic recovery. Settlements are elusive as legacy air carriers remake themselves after bankruptcies, concessions and mergers. Airline profits have been hard earned and small, but profits of any size raise employee expectations at the bargaining table.

In national handling, where freight railroad profits are at record highs, employees rejected the carriers' proposal to modify healthcare plans even when double-digit wage increases were attached. Carriers and organizations, both air and rail alike, remained engaged in battles over higher wages and better benefits versus the ability to pay. While mediators consistently closed cases this fiscal year, mediation was increasingly important and difficult in assisting the parties to reach Collective Bargaining agreements.

In the face of many challenges, mediator productivity continues to be high in that mediators closed twenty-four percent more cases in FY 2011 than in FY 2010. Overall case intake also increased by more than ten percent over FY 2010.

Legacy Carriers The legacy carriers did not fare well this fiscal year in the area of labor relations. AA and UAL have been in mediation with some of their unions for well over 2 years. While USAirways was able to reach agreement with the TWU-represented dispatchers outside of mediation, it remains very much at odds with the flight crew unions: AFA and USAPA. Consequently, 25% of currently open NMB mediation cases involve legacy carriers.

Cooling-off Periods Massachusetts Bay Commuter Rail (MBCR) entered into a cooling off period with 12 of its unions in January 2011 which was extended by mutual agreement until March and then again until May. Tentative agreements were reached with all of them. One organization, however, refused to take the

tentative agreement out for a vote, six failed ratification, and five ratified. After a third extension of the status quo, agreements were reached with all the remaining unions.

The five Class I Railroads represented by the National Carrier's Conference Committee and eleven of their Unions were released from mediation in early September. Self-help will be available on October 7, 2011; however, the President has indicated that he would name a Presidential Emergency Board that would forestall any self-help activity.

Self-help Activity There was no self-help activity in FY 2011.

Settlements Several significant cases were settled this fiscal year with assistance from NMB mediators with Air Tran/ALPA, Air Tran/AFA, UPS/IBT, Pinnacle/ALPA, Continental/IAM, Alaska/IAM, Miami Air International/AFA and Horizon/IBT being among the airlines. Significant rail cases that closed include: MBCR and the TCU, BRS, NCFO, JCC, and IBB; South Central Florida Express/IAM; Montana Rail Link/ATDA; and Indiana South Railroad/IAM.

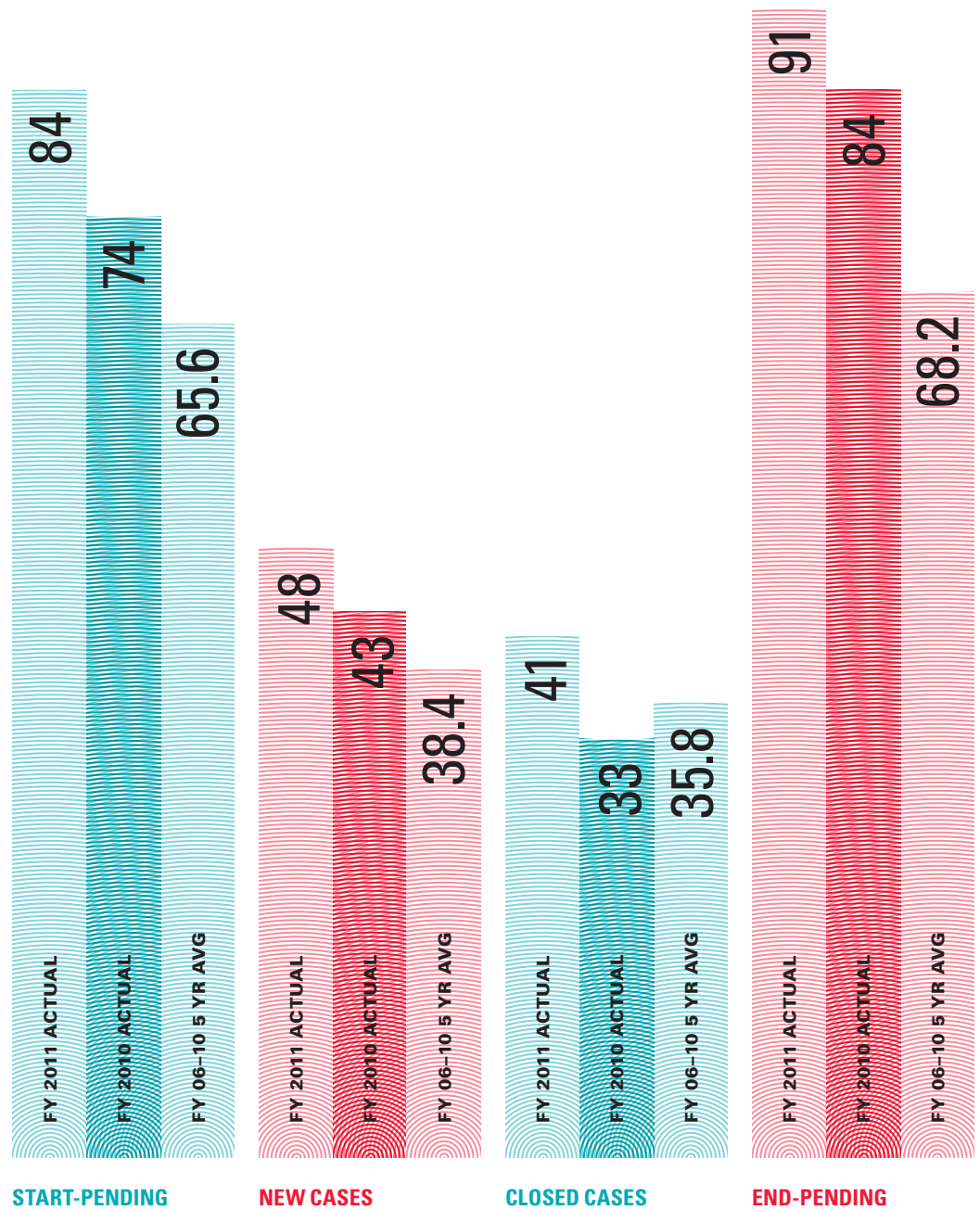
Pending Cases Significant resources will continue to be devoted to open cases at American, United and USAirways, which account for one-quarter of all cases in mediation as concessions, bankruptcies and mergers solidified employee expectations of restoration or partial recovery of wages and benefits.

Other airline cases in mediation include PSA/ALPA & AFA, Piedmont/ALPA & AFA, Spirit/AFA, SWA/TWU and American Eagle/TWU.

Beyond the Commuter Railroad cases, several Regional and Short Line Railroads are in mediation including DQ&E/ATDD, WC/BMWED, ATDD & BRS, PGR/UTU, GWR/BLET and PAR/BLET.

Mediation Cases

The following chart reflects actual case numbers for FY 2011 and FY 2010 and a five-year Average.



MANAGEMENT DISCUSSION AND ANALYSIS

MEDIATION AND ADR

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ADRS Overview

In addition to statutory mediation and arbitration services under Sections 6 and 3 of the RLA, the NMB provides voluntary Alternative Dispute Resolution (ADR) services. ADR services include facilitation, training, grievance mediation, and an online dispute resolution (ODR) program, applying technology to the dispute resolution process.

The primary goal of the NMB's ADR program is to assist the parties in learning and applying more-effective, less-confrontational methods for resolving disputes. Another goal is to help the parties resolve more of their own disputes without outside intervention, and to use appropriate ODR technology to increase

the efficiency and reduce the cost of dispute resolution efforts for the parties.

The NMB established its ADR Services program with the conviction that use of ADR and ODR methods would result in fewer cases progressing to statutory mediation, reduce and narrow the issues which the parties bring to mediation, and positively affect working relationships among the parties.

A complete description of and an application for ADR services may be found on the Agency's web site at www.nmb.gov.

ADRS Highlights

In FY 2011 the Office of Alternative Dispute Resolution Services (ADRS), before and after being merged into the Office of Mediation Services, continued to develop and deliver a wide range of ADR services, including training (T cases), facilitation (F cases), grievance mediation (GM) and facilitated problem solving (FPS). ADRS was also actively engaged in projects related to Information Communication and Technology (ICT), Records and Document Management (RDM), and Case Management as well as development and execution of agency-wide Records Management Training. The Records Management efforts resulted in the coveted Archivist Achievement Award for "Outstanding Achievement in Records Management" from NARA (National Archives and Records Administration), the second award the NMB has received in this area in 2 years.

During FY 2011, ADRS continued to offer special training programs and facilitation efforts outside the traditional grievance mediation and facilitation work. The promotion of the use of Online Dispute Resolution (ODR) tools and training has greatly increased demands for ADRS services such as Online Workspaces for the parties, Online Video Conferencing, and pilot programs in conjunction with the Office

of Arbitration including online arbitrations and "submissions only" arbitrations.

ADRS provided grievance mediation training and services that, again in FY 2011, aided a reduction of the number of cases going to arbitration or the bargaining table. In a railroad grievance mediation case recently, for example, ADRS provided grievance mediation and training to the parties. That session began the process of addressing a handful of issues that had triggered over 300 grievances. The parties reached resolution on one of the issues that had triggered a number of grievances. The parties were extremely pleased with the outcome and have planned additional sessions to fully address the other issues.

ADRS continued a series of projects in FY 2011 in cooperation with the Office of Arbitration Services designed to increase financial-management control of arbitration processes and address the backlog of aged cases. First, ADRS led the development of an automated work request and reporting process for the arbitrators, facilitating case tracking and case auditing. Secondly, ADRS partnered with the Office of Arbitration Services (OAS) to offer an expedited Grievance Mediation and Arbitration

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process designed to increase the use of online technology and to move cases through the system in an expedited manner such as the case referenced in the above paragraph.

Also in FY 2011, ADRS further developed and enhanced NMB's online learning program, the Lyceum, to offer online training to all parties. The NMB Lyceum allows any party, relevant practitioner, and the general public to access the training material at no cost and without having to use passwords or other identifying information. Additionally, the NMB posts items of interest to the parties such as presentations and podcasts of panels and guest speakers at the 2010 Passenger Rail Conference.

Training During FY 2011 ADRS continued to refine and update the standard training offered by the NMB, including Grievance Mediation training, Facilitated Problem Solving training and specialized training tailored to the parties' needs, such as team building and System Boards of Adjustment training. In addition, special training in expedited mediation/arbitration processes was requested by the parties and delivered by ADRS and Mediation staffs.

GM Facilitation and Negotiation During FY 2011, ADRS and Mediation staff members were engaged in direct delivery of dispute resolution services as facilitators in Grievance Mediation, as facilitators in Interest-based Contract Negotiations, and as trainers in a variety of programs.

A special effort was made to merge grievance mediation with expedited arbitration. Successful GM/expedited projects were completed with New Jersey Transit/BRS and resulted in settlement rather than arbitration. Yet another case, Amtrak/UTU/BLET resulted in a multi-party facilitation/grievance mediation to settle a potential dispute between the carrier and 2 unions before grievances were generated. While work is limited but growing on the railroad side, airlines continue to be our largest user of Grievance Mediation Services.

ODR Research and Development

The NMB continued its exploration of online tools to assist mediators, arbitrators and NMB employees in general. Additional research and development in the area of social media and social networking is being analyzed for potential use in ADR development at the NMB.

During FY 2011, online tools were used in training, drafting of agreements, preparation for face-to-face negotiations, agenda setting, and online arbitration for a variety of carriers and organizations. Negotiating parties used comprehensive online workspaces provided by the NMB to manage preparation for negotiations, and to manage information during contract negotiations or grievance mediation. Carriers and organizations actively using NMB online workspaces include: AE/ALPA, CSXT/ATDA, CSXT/UTU, World/IBT, Omni Air/IBT, and Air Wisconsin/IAMAW.

Online Arbitration The NMB continued to develop and use during FY 2011 its web-based video and document sharing capabilities. The NMB online arbitration tools have positively impacted the allocation and use of funds in that monies otherwise used for arbitrator travel salaries and expenses were redirected to arbitration hearings and decision writing. Virtually all executive sessions during FY 2011 for the NRAB were held using ODR technology.

NMB Corporate Memory In FY 2011, the NMB continued to refine its records and document management program, improving the search engine and further integrating the records database with the agency case management system.

NMB Knowledge Store The ADRS staff continued to build and improve the public archive of information available through the NMB Knowledge Store. Currently, the NMB Knowledge Store contains over 100,000 documents in an easily searchable format, including arbitration awards, representation decisions, annual reports, PEB reports, and industry contracts. In FY 2011, the NMB expanded a pilot program to allow carrier and organizations to directly enter final, signed arbitration decisions into the Knowledge Store, ensuring rapid availability of an entire set of decisions for the entire RLA community and the public. During FY 2011, CSXT, AMTRAK, UP, the UTU and the IBEW, were enabled to engage in "direct deposit" of arbitration decisions.

NMB Case Management Systems The ADRS Staff continued to refine protocols, standard operating procedures (SOPs), and training for case management systems in Arbitration and Mediation. During FY 2010, Mediation and OLA were moved from an old case management

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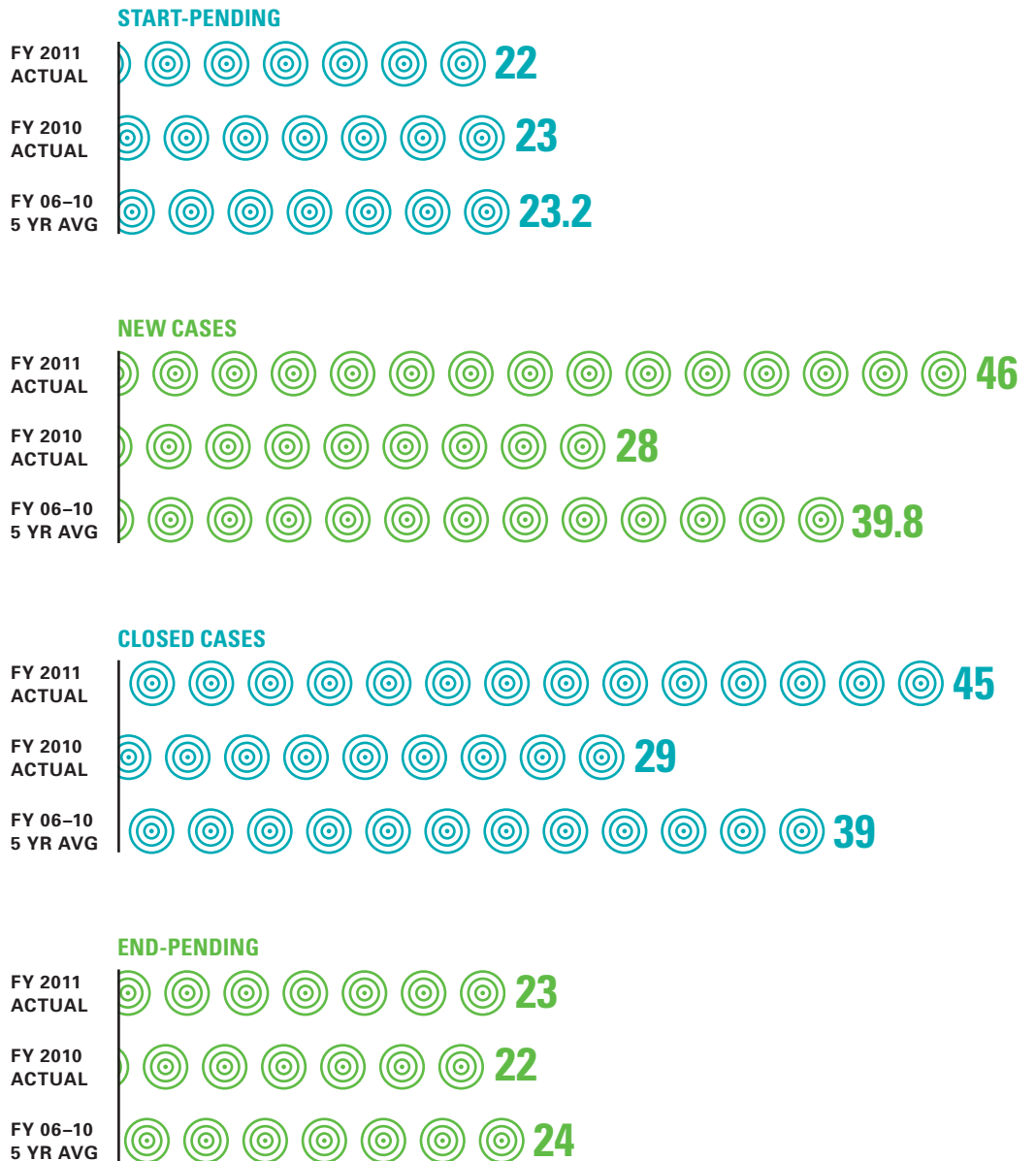
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data base to a new system integrated with the agency's e-records system. In FY 2011 the system continued to be improved and refined. ADRS continued to assist the departments in

improving their business processes, and in the production of specialized reporting systems and other ad hoc requirements.

ADR Cases

The following chart reflects the actual case numbers for FY 2011 and FY 2010 and a five-year average.



Arbitration

Roland Watkins, Director

The Office of Arbitration Services manages the resolution by arbitration of grievance disputes over existing collective bargaining agreements per statutory authority under “Section 3” of the Railway Labor Act (RLA). The RLA provides for both Grievance Arbitration and Interest Arbitration.

Arbitration Overview

Grievance Arbitration Grievance Arbitration is a process for resolving disputes regarding the interpretation or application of an existing collective bargaining agreement. Grievances, known as “minor disputes” under the RLA, must be handled through Grievance Arbitration if not otherwise resolved, and cannot be used by the parties to trigger self-help actions.

The NMB has significant administrative responsibilities for the three types of grievance arbitration in the railroad industry. These types include those of the National Railroad Adjustment Board as well as arbitration panels established directly by the labor-management parties at each railroad: Public Law Boards and Special Boards of Adjustment. Grievance Arbitration in the airline industry is accomplished at the various System Boards of Adjustment created jointly by labor and management at the parties’ expense.

The NMB furnishes panels of prospective arbitrators for the parties’ selection in both the airline and railroad industries. [A request to be placed on the NMB Roster of Arbitrators may be obtained from the Board’s web site at www.nmb.gov. See Forms on the Documents page.] The NMB also has substantial financial responsibilities for railroad arbitration proceedings in

that it pays the salaries and travel expenses of the arbitrators. Grievance Arbitration decisions under the RLA are final and binding with very limited grounds for judicial review.

Interest Arbitration Interest Arbitration is a process to establish the terms of a new or modified collective bargaining agreement through arbitration, rather than through negotiations. Although the RLA provides an effective process for Interest Arbitration, its use is not statutorily required.

The NMB offers the parties the opportunity to use binding Interest Arbitration when the Agency has determined that further Mediation efforts will not be successful. In addition, the parties may directly agree to resolve their collective bargaining dispute or portions of their dispute through Interest Arbitration.

The NMB generally provides the parties with panels of potential arbitrators from which they select an individual to resolve their dispute; in some instances however, the parties agree to allow the NMB to directly appoint an arbitrator. Interest Arbitration decisions are final and binding with very narrow grounds for judicial appeal.

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Arbitration Highlights

The Office of Arbitration Services has directed its attention to promoting a more efficient Section-3 process, thereby fostering faster resolution of minor disputes (grievances). The NMB made a well-received move in this regard during FY 2011 by targeting the backlog of grievance arbitration cases for resolution and increasing the number of arbitrators available to hear and decide cases. Grievance Mediation was also actively promoted as an alternative to arbitration.

The number of cases pending at the end of this fiscal year – 2,384 cases – is the new lowest in NMB history. During FY 2011, the parties brought 3,908 cases to arbitration compared to 4,381 cases in FY 2010. In FY 2011, 4,294 cases were closed compared to 5,648 in FY 2010, leaving only 2,384 cases pending at the end of FY 2011.

The NMB Arbitration program completed its efforts to modernize with the new case management system at the National Railroad Adjustment Board (NRAB). Document and records management was modernized at the NRAB with the conversion of all records to an electronic system. The use of online dispute resolution was also successfully promoted at the NRAB.

On several occasions during the fiscal year, the Agency met with representatives from the labor organizations and carriers to review its caseload. Carriers included Canadian National Railroad, Norfolk Southern Corporation, Union Pacific Railroad and CSX Transportation. The Office of Arbitration Services met with all of the labor organizations representing employees in the railroad industry. NMB efforts have been directed to facilitating a more efficient Section 3 process, thereby reducing the backlog and promoting the RLA objective of prompt resolution of minor disputes.

During FY 2011, the NMB continued its efforts designed to improve the arbitration of grievances under Section 3 of the Railway Labor Act. The Board had five ambitious goals for this transformation: (1) to ensure that the parties receive timely and outstanding arbitration services from the Board's staff and its contract arbitrators; (2) to ensure that the Board uses e-business

capabilities to the maximum extent possible; (3) to ensure that Board procedures are improved through a rulemaking process involving public input; (4) to ensure that arbitrators schedule, hear, and decide cases in a timely manner; and (5) to ensure that NMB resources are used wisely and in accordance with Federal regulations and sound accounting practices.

Annual Case Audit In June 2011, the NMB conducted an intensive audit of all cases pending before public law boards and special boards of adjustment. The Agency provided the Class-I freight railroads, commuter railroads, regional railroads and all labor organizations representing railroad employees with a list of cases pending on these boards. The NMB asked the parties to report any discrepancies between their records and the Agency's list. The audit was conducted electronically. The feedback from the audit enhanced the accuracy of the NMB case management system.

Alternative Dispute Resolution in the Railroad Industry The NMB actively promoted grievance mediation as an alternative means of dealing with grievances in the railroad industry by reaching out to the largest Class-I freight carriers and the labor organizations. During FY 2011, Arbitration Services made presentations at Canadian National, the United Transportation Union and the IAM&AW promoting grievance mediation as a means of resolving disputes. The NMB anticipates continuing this initiative during FY 2012.

Increasing Arbitrator Productivity The NMB continued its efforts to increase arbitrator productivity through rigorous enforcement of the six-month rule. Arbitrators who have not issued a decision within six months of a hearing are contacted monthly and encouraged to issue those decisions. Consequently, approximately 85% of all decisions are rendered within six months of the hearing.

The Agency improved its already successful program of using the NMB website as a source for many of the forms and documents needed by arbitrators and the parties. The NMB used the website to keep the parties and the public informed regarding Section 3 activities. Arbitrators, parties, and the public use its website to

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obtain information and forms instantaneously. Last year, the agency developed an Arbitrators' Caseload Report and posted a link to the Report on the NMB website. This year the NMB placed an NRAB Open Case Report on the website. This report lists all of the open cases at the NRAB. With this report and the Arbitrators' Caseload Report, the NMB's entire Section 3 caseload is now available on the NMB website.

Aged Cases In March 2011 like last year, the Board conducted a review of all open cases on public law boards and special boards of adjustment which are five years and older. The Board worked with the parties to obtain the status of the cases and to encourage the parties to either settle the cases or schedule the cases for hearing. As a result, the Board was able to close the overwhelming majority of the cases and have the remaining few scheduled for hearings. With the exception of the few scheduled for hearings, the Board was able to clear its records of all cases over five years.

The Board contacted the NRAB to obtain the status of their cases over five years. This project is ongoing and will lead to the reduction of the old cases at the NRAB in fiscal year 2012.

Pay Per-case Project The NMB expanded a project in which arbitrators were paid on a per-case basis, instead of the normal per-day compensation. The project will be evaluated during the next fiscal year.

Case Backlog The National Mediation Board used the increase in Section 3 funding to further reduce the backlog of cases. The backlog of 5,551 cases that existed at the beginning of Fiscal Year 2008, has been reduced to approximately 226 cases.

Knowledge Store This year the NMB expanded its use of technology at the NRAB. All NRAB awards are entered into the Knowledge Store at the same time that they are electronically distributed to the parties. Thus awards are received by the parties in some instances, within 24 hours after they have been adopted by the NRAB.

Arbitration Cases

The following chart reflects the actual case numbers for FY 2011 and FY 2010 and a five-year average.

START-PENDING



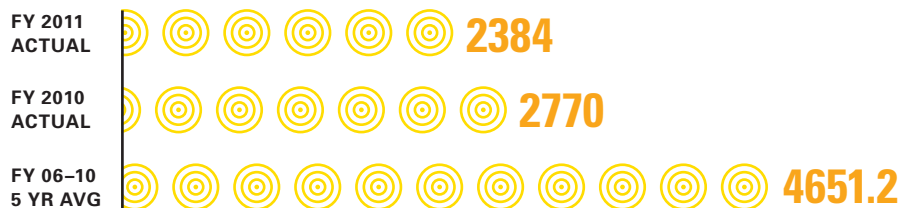
NEW CASES



CLOSED CASES



END-PENDING



Administration

June D.W. King, Director

The Director of the Office of Administration (OA), along with six staff members, facilitate NMB achievement of internal strategic goals and government-wide initiatives.

Administration Overview

The Office of Administration (OA) provides operational management, leadership and support for the entire agency. These services include: strategic planning and budgeting; accounting and finance; human resources

management; procurement and contracting; information technology management and telecommunications; property and space management; and office support.

Administration Highlights

Human Capital The NMB's Human Capital Management Report provides a vehicle for ensuring that established objectives are assessed and reported on, accomplished objectives are noted, and that future goals are tracked for continuous improvement. The FY 2010 results were used to make improvements in the human resources arena during FY 2011.

With the implementation of USAStaffing system, the NMB has been able to further streamline the hiring process. We have begun initiating background investigations prior to individuals reporting for duty. In those cases, the timeline has been reduced by 10 days. Instead of 96 days, new employees come on-board within 86 days.

We continue to use the E-verify system to ensure that all new appointees are eligible to work. In addition, we conduct three individual surveys for all new hires to assess their hiring experience. The results received help to improve the training and orientation process for not only the new hires but also as a refresher for our current staff.

Information Technology In accordance with the NMB's Capital Planning Plan, the NMB will upgrade its information technology equipment which includes desktop computers and laptops. The NMB is reviewing various aspects of using "cloud" computing to better utilize its resources.

Continuity of Operations The NMB participated in the Eagle Horizon 2011 as a table-top exercise. The exercise uncovered some issues in connectivity from our COOP site that are being resolved.

Financial Performance The NMB's accounting system, GLOWS, meets all the current financial requirements. This system enables the agency to close its monthly financial records within one business day. The agency's budget is spread out among three program areas which are consistent with the agency's strategic and performance goals. The costs for all the other departments within the agency are accounted for separately in the accounting system to further provide detail accounting of program costs.

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The Office of Administration provides budget planning, budget development, and oversight of budget execution. In addition, OA is responsible for the maintenance of the Agency's core accounting system; financial reporting to the Office of Management and Budget (OMB) and Treasury; payments to vendors for goods and services received; issuing bills; and the preparation of the Agency's financial statements which are audited on an annual basis.

The NMB continues to work with an outside firm to audit its financial statements. For the fourteenth consecutive year, Allmond & Company reported that the financial statements were presented fairly, in all material respects, and in conformity with U.S. generally accepted accounting principles (GAAP) for Federal agencies. The FY 2011 audit report is included in this NMB Performance and Accountability Report which is posted on the agency's website at www.nmb.gov. The material weakness identified in last year's report is being addressed by establishing new processes and procedures that will guide the arbitration process.

Electronic Government The agency provides electronic access to all its policies. This allows our internal customers to have quick access to all agency policies at their finger tips.

The NMB continues to use its website to provide information to its internal and external customers. The website provides access to our internal customers by allowing them to access the NMB internal forms. Also the website and our online Knowledge Store provide current and historical information to the public and our external customers.

NMB Knowledge Store The NMB staff continued to build and improve the public archive of information available through the NMB Knowledge Store. Currently, the NMB Knowledge Store contains over 100,000 documents in an easily searchable format, including arbitration awards, representation decisions, annual reports, PEB reports, and industry contracts. In FY 2011, the NMB expanded a pilot program to allow carrier and organizations to directly enter final, signed arbitration decisions into the Knowledge Store, ensuring rapid availability of an entire set of decisions for the entire RLA community and the public. During FY 2011, CSXT, AMTRAK, UP, the UTU and the IBEW, were enabled to engage in "direct deposit" of arbitration decisions.

Sustainability We are committed to reducing green house gases in accordance with Executive Order 13514 (E.O.). During this year, we noted that 63 percent of the NMB employees use public transportation. The Agency provides Alternative Work Schedules (AWS) and Telework programs to its employees. Currently, 37 out of 49 employees participate in the Smart Benefits program. We also purchased new environmentally efficient copiers that generate 90 percent less waste than traditional copiers.

Representation and PEBS

Mary Johnson, General Counsel

The Office of Legal Affairs manages representation issues; conducts elections for the purpose of determining collective-bargaining representatives in the airline and railroad industries; and oversees post-mediation activities that lead or may lead to the establishment of Emergency Boards by the President of the United States (PEBs). The General Counsel also serves as legal counsel for the NMB.

Representation Overview

Under the Railway Labor Act (RLA), employees in the airline and railroad industries have the right to select a labor organization or individual to represent them for collective bargaining.

Employees may also decline representation. An RLA representational unit is "craft or class," which consists of the overall grouping of employees performing particular types of related duties and functions. The selection of a collective bargaining representative is accomplished on a system-wide basis, which includes all employees in the craft or class anywhere the carrier operates in the United States. [An application for a representation investigation may be obtained from the Agency's web site at www.nmb.gov.]

If a showing-of-interest requirement is met, the NMB continues the investigation, usually with a secret Telephone/Internet election. Only such employees that are found to be eligible to vote by the NMB are permitted to participate in such election. The NMB is responsible for determining RLA jurisdiction, carrier status in mergers, and for ensuring that the requirements for a fair election process have been maintained without "interference, influence or coercion" by the carrier. If the employees vote to be represented,

the NMB issues a certification of that result which commences the carrier's statutory duty to bargain with the certified representative.

The NMB's Office of Legal Affairs (OLA) continues to operate at a high level of quality and efficiency. As a review of customer service and performance standards will attest, the Agency's Representation program consistently achieves its performance goals, delivering outstanding services to the parties and the public.

The OLA staff closed 48 cases and docketed 41 cases during the year. With the Agency resources requested for 2012 and 2013, it is estimated that 52-54 representation cases will be investigated and resolved in each year.

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Representation Highlights

Under the RLA, the selection of employee representatives for collective bargaining is accomplished on a system-wide basis. Due to this requirement and the employment patterns in the airline and railroad industries, the Agency's representation cases frequently involve numerous operating stations across the nation. In many instances, labor and management raise substantial issues relating to the composition of the electorate, jurisdictional challenges, allegations of election interference, and other complex matters which require careful investigations and ruling by the NMB.

Representation disputes involving large numbers of employees generally are more publicly visible than cases involving a small number of employees. However, all cases require and receive neutral and professional investigations by the Agency. The NMB ensures that the employees' choices regarding representation are made without interference, influence or coercion. The case summaries that follow are examples of the varied representation matters which were investigated by the NMB during FY 2011.

United Air Lines and Continental Airlines/ AFA-CWA/IAM On January 18, 2011, the Association of Flight Attendants-CWA (AFA) filed an application alleging a representation dispute involving the craft or class of Flight Attendants and requested the Board investigate whether United Air Lines (United) and Continental Airlines (Continental) were operating as a single transportation system.

At the time the application was filed, AFA represented the Flight Attendant craft or class at United and the International Association of Machinists (IAM) represented the Flight Attendant craft or class at Continental. AFA asserted that United, Continental, and Continental Micronesia (CMI) constituted a single transportation system.

The Carriers stated that United, Continental and CMI comprised a single transportation system for the craft or class of Flight Attendants.

The IAM asserted that AFA's application was defective because it failed to include CMI as

part of the single transportation system. The IAM also asserted that the AFA application was premature because the integration of flight attendant operations at the Carriers had barely begun. Additionally, the IAM alleged that the AFA application was timed to interfere with a contract ratification vote by pre-merger Continental flight attendants on a tentative agreement to cover the transition period during which flight attendant operations would be combined.

The Board found that the Carriers were wholly-owned subsidiaries of United Continental Holdings, Inc. (UCH) and UCH had a single board of directors and a common senior management group. The Board also found: there was a single group of officers responsible for labor relations at the Carriers; personnel policies and practices were in the process of being integrated; and the Carriers had obtained approval from the FAA for a transition plan moving forward. Additionally, the Board stated that the Carriers: had been aligning schedules in markets where there were overlapping flights; had maintained a code-sharing and alliance agreement for years and had plans for further integration of flight routes and schedules through 2012; had begun the process of merging frequent flyer programs and members of both Carriers' programs were able to receive benefits while flying at either Carrier; had relocated operations to the same terminal in the two largest hubs; had adopted a new logo and the first aircraft with new livery was in operation; and had begun the process of transitioning to common uniforms.

The Board stated that its criteria for substantial integration of operations did not require total integration of operations but that plans were underway for further integration in every area where it had not yet occurred, such as reservations systems and customer service. Additionally, the Board stated that the Carriers had informed their customers of the merger through preflight announcements, both Carriers' websites, magazines, and other media outlets. Based on these steps, the Board found that there was little doubt that integration of operations would continue.

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In 1993 the Board identified “Air Micronesia” as a subsidiary of Continental in its determination that Continental and Continental Express were a single transportation system. *Continental/Continental Express*, 20 NMB 326 (1993). Air Micronesia was identified as one of the debtor corporations that merged into Continental in the bankruptcy proceedings of Continental Airline Holdings, Inc. Air Micronesia was renamed Continental Micronesia in 1993 after being acquired by Continental. Subsequently, in two cases involving the Flight Attendant craft or class, the Board treated CMI as a separate carrier without specifically analyzing whether CMI was part of a single transportation system with Continental. *Continental Airlines/Continental Micronesia*, 27 NMB 76 (1999); *Continental Micronesia*, 22 NMB 189 (1995). The Board noted that these cases pre-dated the recent combination of the CMI and Continental operating certificates.

The Board found that CMI: was managed entirely by Continental; its aircraft bore the Continental livery; its ground operations used only the Continental name and logo; and its flights were marketed through the Continental reservations office and website. As a result of the merger between United and Continental, Continental decided to seek to combine the CMI and Continental operating certificates. On December 22, 2010, the FAA granted Continental’s request and issued a new operating certificate covering both Continental and CMI. Based on these factors, the Board found that CMI was part of this single transportation finding.

Once the Board determined that a single transportation system existed, it examined the potential representation issues. The Board’s investigation established that there were approximately 15,147 Flight Attendants on the pre-merger United part of the system and approximately 9,458 on the pre-merger Continental and CMI part of the system. Since these numbers were comparable, the Board authorized an election among the craft or class of Flight Attendants.

Based on the election results, on June 30, 2011, the Board certified AFA-CWA as the representative of the Flight Attendants of United Air Lines/Continental Airlines.

On July 12, 2011, the IAM filed interference allegations.

United Air Lines and Continental Airlines/IAM On January 21, 2011, the IAM filed an application alleging a representation dispute involving the craft or class of *Stock Clerks* and requested the Board investigate whether United and Continental were operating as a single transportation system.

At the time the application was filed, the IAM represented the *Stock Clerks* craft or class at United and the CMI employees who perform stock clerks/stores functions were covered by CMI’s *Mechanics and Related Employees* collective bargaining agreement with the International Brotherhood of Teamsters (IBT).

The IAM asserted that United and Continental merged to become a single transportation system. Although the IAM’s application did not specifically mention CMI, the IAM supported the Carriers’ position that CMI was a subsidiary of Continental and also part of the single transportation system arising from the United/Continental merger.

Using the same rationale addressed in *United Air Lines and Continental Airlines*, 38 NMB 124 (2011), the Board found that United and Continental were operating as a single transportation system for representation purposes. Similarly, the Board found that CMI was part of this single transportation finding.

Once the Board determined that a single transportation system existed, it examined the potential representation issues. The Board’s investigation established that there were 1,035 *Stock Clerks* at United – 786 at pre-merger United and 249 at pre-merger Continental (including CMI).

On May 3, 2011, the IAM submitted evidence of representation of the combined craft or class and requested that the Board extend its certification in R-4844 to cover all *Stock Clerk* employees at the combined Carrier, consistent with Board precedent.

The Carrier responded on May 10, 2011, and requested that the Board conduct a representation election due to the unusual circumstances of the case. The IAM responded and argued that the Board should reject the Carrier’s request.

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On July 1, 2011, the Board extended the IAM's certification in R-4844 to include all Stock Clerks in United's single transportation system. The Board stated that it consistently extends an organization's certification to cover employees in the craft or class on the entire system when the numbers of employees on each part of the system are not comparable. The Board examined the record and found the numbers of IAM represented Stock Clerks on United were not comparable to the unrepresented Stock Clerks on Continental. Additionally the Board stated that United failed to provide any legal basis for ignoring the Board's well established comparability practice.

United Air Lines and Continental Airlines/ IAM On January 21, 2011, the IAM filed an application alleging a representation dispute involving the craft or class of Fleet Service Employees and requested the Board investigate whether United, Continental, and CMI were operating as a single transportation system.

At the time the application was filed, the IAM represented the Fleet Service Employees craft or class at United and the Fleet Service Employees at Continental and CMI were represented by the IBT. The IAM asserted that United, Continental, and CMI constituted a single transportation system. The IBT acknowledged that United and Continental would eventually become a single transportation system for labor relations purposes, but provided a list of actions the carriers needed to take before they were completely integrated according to the Board's criteria. The IBT asked the Board not to declare a single carrier until it found substantial steps towards integrations had taken place. The Carriers stated that United, Continental and CMI comprised a single transportation system for the craft or class of Fleet Service Employees.

The Board noted that it's criteria for substantial integration of operations does not require a total integration of operations. Using the same rationale addressed in *United Air Lines and Continental Airlines*, 38 NMB 124 (2011) and *United Air Lines and Continental Airlines*, 38 NMB 161 (2011), the Board found that United, Continental, and CMI were operating as a single transportation system for representation purposes.

Once the Board determined that a single transportation system existed, it examined the potential representation issues. The Board's investigation established that there were approximately 6862 Fleet Service Employees on the pre-merger United part of the system and approximately 7443 on the pre-merger Continental and CMI part of the system. Since these numbers were comparable, the Board authorized an election among the craft or class of Fleet Service Employees.

Based on the election results, on August 12, 2011, the Board certified the IAM as the representative of the Fleet Service Employees of United Air Lines/Continental Airlines.

Republic Airlines/ Shuttle America/Chautauqua Airlines/ Frontier Airlines/ Lynx Aviation and the Former Midwest Airlines/ IBT On October 4, 2010, the IBT filed an application alleging a representation dispute involving the craft or class of Pilots and requested the Board investigate whether Republic Airlines (RA), Shuttle America (Shuttle), Chautauqua Airlines (Chautauqua), Frontier Airlines (Frontier), and Lynx Aviation (Lynx) (collectively the Carriers) were operating as a single transportation system for the craft or class of Pilots. At the time the application was filed, the IBT represented the Pilots at Chautauqua (R-6199). The IBT also represented the Pilots at Republic and Shuttle through a voluntary recognition agreement. The Air Line Pilots Association (ALPA) represented the Pilots at Lynx (R-7212) and the United Transportation Union (UTU) represented the Pilots at Lynx (R-7212). The Frontier Airline Pilots Association (FAPA) represented the Pilots at Frontier (R-6630).

According to the Carriers, Republic Airways Holdings (RAH) was the holding company that owned RA, Chautauqua, Shuttle, Frontier, Lynx, and the former Midwest and operated both "fixed fee" and "branded" operations. The Carriers stated that each subsidiary carrier had its own operating certificate; however, RAH was in the process of transferring Lynx's remaining fleet to the RA operating certificate. The Carriers anticipated to be completed by early 2011, at which time RAH would surrender Lynx's operating certificate and shut down Lynx.

The Carriers stated that management was integrated, and all labor relations and personnel

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functions for the Carriers were administered by RAH. RAH stated that the single carrier comprised of Chautauqua, Shuttle, and RA would continue to exist in its current form and would be held out to the public and marketed under the brand of the applicable flying partners or the Frontier brand. Frontier (and Lynx until its closing) would continue to be held out to the public and marketed under the Frontier brand.

IBT urged the Board to find that the Carriers were operating as a single transportation system. The IBT argued that all subsidiaries were wholly owned by RAH, including Frontier and Lynx whose acquisition was finalized October 1, 2009. According to IBT, the entities were operating as a single transportation system as evidenced by substantial operational integration, common control and ownership, and combined management and labor relations.

IBT contended that Midwest ceased operations and was not a part of the single transportation system. Additionally, IBT stated that pilot recruiting for each of its subsidiaries was handled by RAH and all Pilots had been integrated into a single seniority list according to Arbitrator Dana E. Eischen's final award on February 19, 2011. IBT argued that while each of RAH's subsidiaries was a separate corporate entity with its own FAA operating certificate, their operations were all consolidated and commonly-scheduled under the Frontier brand, and they were held out as a single company of affiliates on RAH's website. Further, IBT noted that the subsidiaries were presented on a consolidated basis for both financial reporting and operating performance.

IBT noted that both ALPA and UTU agreed that Frontier was appropriately included in the single transportation system. IBT rejected FAPA's main contention that the diverse operations of Chautauqua/RA/Shuttle (fixed-fee and Frontier (branded) made a single finding inappropriate. Finally, the IBT contended that there had been significant steps towards integration of Frontier into the single transportation system since the Board's March 2010 decision regarding Flight Attendants. *Chautauqua Airlines*, 37 NMB 148 (2010).

The UTU argued that based on the integration of operations and labor relations since March 2010, the Board should find all carriers were a single carrier.

ALPA contended that all of RAH's subsidiaries were a single transportation system for the craft or class of Pilots, but argued that the Midwest Pilots were also part of the single transportation system. While ALPA acknowledged that RAH recently stopped selling services under the Midwest brand, it contended that RAH would continue to fly aircraft with Midwest livery through early 2011.

ALPA stated that since the Board's findings in *Chautauqua Airlines*, 37 NMB 148 (2010), RAH had begun to integrate Midwest and Frontier brands operationally, and was using both MWA (Republic d/b/a Midwest Airlines) and Frontier mainline planes, equipment only used in branded operations, to provide that integrated service. As Midwest's operations were integrated with and into the Frontier brand, ALPA contended that the Midwest Pilots had an interest that the Board's merger policies protect. ALPA argued that the ongoing integrations of operations had now integrated Frontier/Lynx into the single transportation system, so that the system included the Carriers "plus Midwest." ALPA believed that the intertwined nature of RAH's two types of operations made a finding of a single transportation system the only result consistent with the RLA's representation structure.

FAPA contended that Frontier was not part of the single transportation system and, therefore, the IBT's application should have been dismissed. FAPA argued that Frontier and Lynx were a separate system as they provided service exclusively for the "branded" business, while Chautauqua and RA provide both "branded" and "fixed fee" service, and Shuttle only provided "fixed fee" service.

Additionally, FAPA asserted that Frontier was a single system, and separate from RAH's other subsidiaries as it offered scheduled service only under its own brand, with its distinct livery on aircraft; had its own FAA operating certificate, and its own website, and; maintained separate day-to-day management below senior management at the holding company level. FAPA noted the Board's decision finding that Frontier was not part of the single transportation system for the craft or class of Flight Attendants. *Chautauqua Airlines*, 37 NMB 148 (2010).

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The Board found that RAH exercised sufficient common control over its subsidiaries, Chautauqua, Shuttle, RA, Frontier, and Lynx to form a single transportation system for representation purposes. The Board stated that following the multi-step transaction that integrated the former Midwest into Frontier and RA, the Carriers operated with individual operating certificates; however the other factors supported a single system finding. The Board noted that upon the effective date under the arbitrator's award, all Pilots would be working under one seniority list. The Board also found: management and Boards of Directors were overlapping; RAH had total operational control over its subsidiaries' operations; Chautauqua, Shuttle, RA, Frontier, and Lynx were held out as single carrier of affiliates on RAH's website and presented on a consolidated basis for both financial reporting and operational performance. Therefore, the Board found that the Carriers were operating as a single transportation system (Republic Airlines et al./Frontier) for the craft or class of Pilots.

On April 11, 2011, FAPA filed a Motion for Reconsideration requesting the Board reconsider its April 7, 2011 decision finding that RA, Shuttle, Chautauqua, Frontier and Lynx were operating as a single transportation system. The UTU and the IBT filed submissions in opposition to the Motion for Reconsideration. RAH did not take a position on whether the Motion should be granted or denied and ALPA did not submit a position statement.

FAPA contended that the Board's conclusion was in error primarily because it failed to address certain arguments advanced by FAPA, namely: 1) other crafts or classes at Frontier, like the Flight Attendants, remained separate, and no rationale was articulated for why the Board found the Frontier Pilots part of the Republic system; 2) RAH took no formal position on the single transportation system issue here in contrast to the Flight Attendant decision, *See, Chautauqua Airlines*, 37 NMB 148 (2010), where it urged a single transportation system finding; 3) the Board overlooked relevant cases cited by FAPA; 4) the decision failed to indicate that Chautauqua and RA operating on the Frontier brand had markings noting they were operating on a code-share basis; and finally, 5) the Board improperly relied on Arbitrator Eischen's integrated seniority list.

The IBT asserted that FAPA's Motion for Reconsideration merely reasserted arguments previously asserted to the Board and failed to show a material error of law or fact in the Board's conclusion.

The UTU stated that the Board properly relied upon existing precedent in determining that RA, Shuttle, Chautauqua, Frontier and Lynx were operating as a single transportation system for the craft or class of Pilots, and that Midwest Pilots were included in this system. The UTU asserted that FAPA's Motion should be denied.

The Board found that FAPA failed to demonstrate a material error of law or fact or circumstances in which the Board's exercise of discretion to modify the decision was important to the public interest. Furthermore, the Board found that FAPA failed to show that the prior decision was fundamentally inconsistent with the proper execution of the Board's responsibilities under the Railway Labor Act, 45 U.S.C. § 151, *et seq.*

Once the Board determined that a single transportation system existed, it examined the potential representation issues. The Board's investigation established that there were approximately 1986 Pilots on the pre-merger RA, Shuttle, Chautauqua part of the system, and 1139 Pilots on the other parts of the pre-merger system. Since these numbers were comparable, the Board authorized an election among the craft or class of Pilots, employees of Republic Airlines et al./Frontier.

On June 22, 2011, RAH requested the Board postpone the tally scheduled for June 27, 2011, while it considered whether a corporate restructuring and planned divestiture of majority ownership of Frontier affected the Board's determination that Frontier was part of the single transportation system with the RAH operating subsidiaries. According to RAH, it entered into a Letter of Agreement with FAPA, effective date June 17, 2011, and fully ratified by the Frontier Pilots, "detailing the Frontier restructuring effort and reflecting the Company's changed business strategy to have Frontier ultimately operate as a separate corporate entity." In exchange for FAPA's agreement to modify its collective bargaining agreement and agree to significant labor cuts, RAH agreed to: maintain separate Frontier websites for all sales,

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operational and recruitment purposes; further separate the Frontier management structure to include appointing a separate Frontier Chief Operating Officer and an independent Director of Labor Relations for Frontier; create separate Frontier Human Resources and Payroll functions; maintain a separate and unique Frontier Employee Handbook; and document arms-length agreements with any RAH subsidiary that operates on behalf of Frontier. RAH further agreed to divest itself of its majority equity stake in frontier no later than December 31, 2014, after which a separate Frontier Board of Directors would be established.

The IBT contended that RAH's request should be denied as it was unsupported by any citation to authority, contrary to well-established Board principle that representation elections should be conducted on the present system, not a future system; and, completely without merit. The IBT also stated that it might later pursue allegations of election interference in this matter.

The Board noted that Section 13.302 of the Board's Representation Manual allows participants to request a postponement of the Tally by filing a request supported by substantive evidence. The Board also noted that it only considers granting such requests in extraordinary circumstances. The Board found that postponing the ongoing election would be at odds with its statutory mandate to resolve representation disputes as expeditiously as possible and that RAH failed to cite any Board precedent in support of its request. Therefore, the Board denied RAH's request to postpone the Tally and ordered that the Tally proceed as scheduled.

Based on the election results, on June 28, 2011, the Board certified the IBT as the representative of the Pilots of Republic Airlines et al./Frontier.

Delta Air Lines, Inc./AFA On July 1, 2010, the AFA filed an application requesting the Board to investigate whether Delta Air Lines, Inc. (Delta) and Northwest Airlines (Northwest) were operating as a single transportation system for the craft or class of Flight Attendants. The Board found Delta and Northwest were a single transportation system known as Delta for the craft or class of Flight Attendants. *Northwest Airlines, Inc./Delta Air Lines, Inc.*, 37 NMB 323 (2010). On September 1, 2010, the Board authorized an election among the 20,000 Flight Attendants. The Board scheduled the tally for November 3, 2010.

In October, AFA filed allegations of election interference, stating that Delta interfered with employee free choice through the use of "pop-up" messages related to the election on its internal password-protected network, DeltaNet, and the inclusion of a hyperlink to the NMB's website in those pop-up messages.

The Board did not find extraordinary circumstances requiring action during the election period and stated that it would address any allegations regarding conduct during the election period at the end of the voting period.

Based on the results of the election, the Board dismissed AFA's application. *Delta Air Lines, Inc.*, 38 NMB 20 (2010).

On November 23, 2010, AFA filed allegations of election interference. Delta responded. Delta responded on December 21, 2010. AFA filed an additional response on January 14, 2011 and Delta replied on February 10, 2011. In its filings, Delta raised allegations about AFA's conduct during the election.

After reviewing the submissions provided by AFA and Delta, the General Counsel found that in order for the Board to determine whether the laboratory conditions were tainted, further investigation was needed. The Board is currently conducting interviews and an on-site investigation in this matter.

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Delta Air Lines, Inc./IAM In September, the Board found that Delta and Northwest were operating as a single transportation system and ordered an investigation to address the representation consequences for the craft or class of Stock and Stores Employees. *Northwest Airlines, Inc./Delta Air Lines, Inc.*, 37 NMB 397 (2010). On September 27, 2010, the Board authorized an election among the 673 Stock and Stores Employees. The Board scheduled the tally for November 22, 2010.

The November 22, 2010 Report of Election results reflected that a majority of votes cast was for no representation. Therefore, the Board issued a Dismissal. *Delta Air Lines, Inc.*, 38 NMB 33 (2010).

On December 9, 2010, IAM filed allegations of election interference. Delta responded on January 25, 2011. In its response, Delta raised questions about IAM's conduct during the election. IAM filed an additional response on March 8, 2011 and Delta replied on March 21, 2011.

After reviewing the submissions provided by IAM and Delta, the General Counsel found that in order for the Board to determine whether the laboratory conditions were tainted, further investigation was needed. The Board is currently conducting interviews and an on-site investigation in this matter.

Delta Air Lines, Inc./IAM In September, the Board found that Delta and Northwest were operating as a single transportation system and ordered an investigation to address the representation consequences for the craft or class of Passenger Service Employees. *Northwest Airlines, Inc./Delta Air Lines, Inc.*, 37 NMB 382 (2010). On October 7, 2010, the Board authorized an election among the 15,436 Passenger Service Employees. The Board scheduled the tally for December 7, 2010.

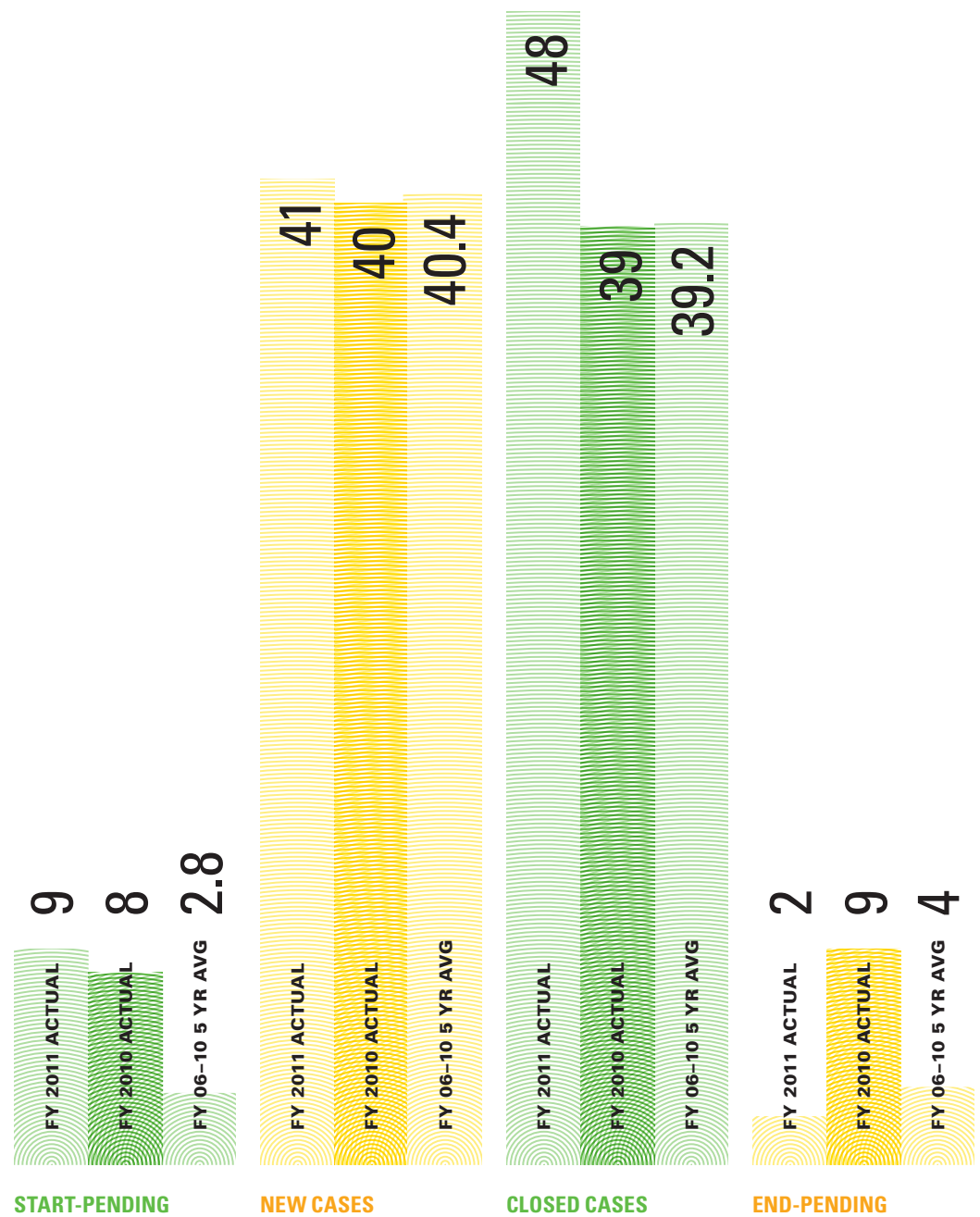
The December 7, 2010 Report of Election results reflected that a majority of votes cast was for no representation. Therefore, the Board issued a Dismissal. *Delta Air Lines, Inc.*, 38 NMB 35 (2010).

On December 16, 2010, IAM filed allegations of election interference. Delta responded on January 25, 2011. In its response, Delta raised questions about IAM's conduct during the election. IAM filed an additional response on March 15, 2011 and Delta replied on April 15, 2011.

After reviewing the submissions provided by IAM and Delta, the General Counsel found that in order for the Board to determine whether the laboratory conditions were tainted, further investigation was needed. The Board is currently conducting interviews and an on-site investigation in this matter.

Representation Cases

The following chart reflects the actual case numbers for FY 2011 and FY 2010 and a five-year average.



Presidential Emergency Boards (PEBs) Overview

Section 159A (Section 9a) of the Railway Labor Act (RLA) provides special, multi-step emergency procedures for unresolved collective-bargaining disputes affecting publicly funded and operated commuter railroads and its employees. Section 160 (Section 10) of the RLA covers all other railroads and airlines.

When the National Mediation Board (NMB) determines that a collective-bargaining dispute cannot be resolved in mediation, the NMB proffers Interest Arbitration to the parties. Either labor or management may refuse the proffer and, after a 30-day cooling-off period, engage in a strike, implement new contract terms, or engage in other types of economic Self Help, unless a Presidential Emergency Board is established.

If the NMB determines, pursuant to Section 160 of the RLA, that a dispute threatens substantially to interrupt interstate commerce to a degree that will deprive any section of the country of essential transportation service, the NMB notifies the President. The President may, at his discretion, establish a PEB to investigate and report respecting such dispute.

Status-quo conditions must be maintained throughout the period that the PEB is impaneled and for 30 days following the PEB report to the President. If no agreement is reached, and there is no intervention by Congress, the parties are free to engage in self-help 30 days after the PEB report to the President.

Apart from the emergency board procedures provided by Section 160 of the RLA, Section 159A (Section 9a) provides special, multi-step emergency procedures for unresolved disputes affecting publicly funded and operated commuter railroads and its employees. If the Mediation procedures are exhausted, the parties to the dispute or the Governor of any state where the railroad operates may request that the President establish a PEB. The President is required to establish such a board if requested. If no settlement is reached within 60 days following the creation of the PEB, the NMB is required to conduct a public hearing on the dispute. If there is no settlement within 120 days after the creation of the PEB, any party or the Governor of any affected state, may request a second, final-offer PEB. No Self-Help is permitted pending the exhaustion of these emergency procedures.

PEB Highlights

During fiscal year 2011, there were no Presidential Emergency Boards.

Performance Plan and Results(GPRA)

This report contains FY 2011 Accomplishments of the National Mediation Board relating to goals and objectives for Mediation/ADR, Representation, and Arbitration. These accomplishments enabled the NMB to meet its statutory obligations and provide services to its airline and railroad labor, management and public customers.

Strategic Plan General Goal 1

Mediation and Alternative Dispute Resolution

Mediation and Alternative Dispute Resolution (ADR) will continue to foster the prompt and peaceful resolution of collective bargaining disputes in the airline and railroad industries.

Mediation

- I. **Continue to develop standard training for mediators to ensure they are kept abreast of the latest trends in mediation and gain additional industry and technical knowledge in both air and rail.**

FY-2011 Accomplishment: Through the use of Individual Development plans each mediator participated in training and development that met their individual needs. In addition, training covering industry specific topics, as well as guest speakers, was conducted during the bi-monthly mediator meetings.

- II. **Better track the history of cases. Work with Arbitration and Representation to revise and improve the agency case management system.**

FY-2011 Accomplishment: We continued to fine tune the capabilities of and information tracked in the case management system. Specialty reports to help in workload planning and historical research were developed and used.

ADR

- I. **Expand current ADR capabilities to address the changing labor environment in the airline and railroad industries and provide more varied assistance in dispute resolution both between and during contract negotiations.**

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**PERFORMANCE PLAN
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- **Use outreach and promotion efforts to raise the visibility of the ADR program.**

FY-2011 Accomplishment: ADR continued to engage in outreach and promotion efforts with parties in the airline and railroad industries. The result of these efforts was a continued case load in special dispute resolution efforts, and ADR/ODR presentations to carriers, organizations, and professional associations. Special concentration was given to local leadership at the railroads and rail organizations with grievance mediation overviews and presentations given to those who handle the lion's share of grievance handling.

- **Review ADR services for potential deletions, additions, or changes.**

FY-2011 Accomplishment: Each year ADRS does reviews of its programs, assessing existing training and service delivery. ADRS created the NMB Lyceum, an online learning resource that helps reduce travel costs for GM training. Working with Arbitration, ADRS increased its promotion of expedited arbitration coupled with grievance mediation as an option for the parties. Also, ADRS continued conversion of the basic arbitration work processes to an automated system developed in conjunction with the Arbitration Services office.

- II. Implement and develop interagency projects with other labor and transportation agencies with the goal of enhancing labor-management relations in the airline and railroad industries.**

FY-2011 Accomplishment: ADR offered consultation to the Surface Transportation Board, National Archives and Records Administration, and the Congress on the application of ODR technology to open government and e-government initiatives.

- III. Engage in outreach and education programs to ensure that the NMB is seen as a world leader in airline and railroad labor-management issues and submit proposals for presentations at dispute resolution conferences.**

FY-2011 Accomplishment: ADR staff members were involved in presentations to: the Association for Conflict Resolution, the Dispute Resolution Section of the American Bar Association, the Interagency Dispute Resolution Working Group Steering Committee, American Law Institute and American Bar Association (ALI-ABA) and numerous dispute resolution and legal organizations.

Strategic Plan General Goal 2

Representation

The Office of Legal Affairs (OLA) will promptly investigate representation disputes and definitively resolve representation status for collective bargaining purposes, using the most efficient and client-friendly methods available.

- I. Expand the use of electronic systems to further streamline and reduce cost; continue to integrate Representation data into the agency Corporate Memory; and work with ADR to implement electronic filing system for OLA.**

FY-2011 Accomplishment: OLA primarily accepts electronically submissions in representation cases. The Office of Legal Affairs continued to reduce its use of paper documents by implementing a test program to take electronic witness statements in representation interference investigations.

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II. Develop outreach opportunities in the legal, labor relations and alternative dispute resolution communities. Submit proposals for participation in conferences sponsored by the American Bar Association (ABA). Develop appropriate CLE and other training opportunities for RLA practitioners.

FY-2011 Accomplishment: OLA continued its outreach to the legal, labor relations and alternative dispute resolution communities. OLA attorneys helped plan the agenda for and were panelists at the ABA Railroad and Airline Labor Law Section's Mid-winter meeting as well as the ABA's Labor and Employment Annual CLE Meeting, and a three day Continuing Legal Education seminar on the Railway Labor Act sponsored by ALI-ABA.

III. Implement and maintain concise, relevant reference materials, readily available to the public and which reduce the number of man-hours used to research and respond to inquiries; update and improve the material available on the NMB web site; and revise NMB's Representation Manual.

FY-2011 Accomplishment: OLA Attorneys are working on the 3rd Edition of the authoritative treatise on Railway Labor Act Law published by the Bureau of National Affairs. OLA attorneys assisted in the development of one of the NMB Lyceum's initial on-line course offerings, NMB 101.

IV. Maintain continuous industry and agency communication at a level that provides early preparation for Presidential Emergency Board management, and coordinate efforts with the Office of Mediation Services to identify potential disruptions which may lead to a Presidential Emergency Board.

FY-2011 Accomplishment: The Office of Legal Affairs continually coordinates with the Office of Mediation Services to evaluate potential disruptions in the industry.

Strategic Plan General Goal 3

Arbitration

Arbitration will promote the prompt and orderly resolution of grievance disputes in the railroad and airline industries.

I. Modernize and update procedures related to NRAB Section-3 cases and other arbitral forums (public law boards and system boards of adjustment). Conduct a business process review of NRAB case handling.

FY-2011 Accomplishment: NRAB administrative processes, as well as the procedures governing public law boards and system boards of adjustments, were reviewed with the goal of streamlining procedures.

II. Foster a "best practices" approach to managing the contract-arbitrator roster. Move arbitrator roster information to a new case management system. Improve the guidelines for accepting applicants to the roster.

FY-2011 Accomplishment: The NMB instituted several projects to help the parties better utilize the NMB Roster of Arbitrators. One project involved CSX Transportation. Another project involved the Canadian National Railroad. An NMB Arbitrators' Caseload Report was updated on the NMB website, along with the official Roster of Arbitrators.

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III. Foster a “best practices” approach to managing arbitrator billing and payment. Investigate and develop a more equitable and efficient arbitrator billing process.

FY-2011 Accomplishment: The NMB initiated and implemented several special compensation projects, establishing more boards in which arbitrators were paid on a per-case basis with an increase in compensation for cases heard using the NMB Online Video Conferencing Center (WebEx). These projects will be evaluated in FY 2012.

IV. Integrate current technology into the arbitration process. Continue to integrate Arbitration business processes into the NMB Corporate Memory program. Cooperate with Mediation, ADR, and Representation to improve the agency case-management system. Continue to encourage the parties to use the agency’s web-based video-conferencing system (WebEx) to reduce costs for arbitration hearings and adoption conferences.

FY-2011 Accomplishment: The NMB trained several arbitrators, railroad management officials and labor officials in the use of Online Video Conferencing, and several hearings were conducted using OVC during Fiscal Year 2011. OVC was used repeatedly at the National Railroad Adjustment Board.

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CFO Letter

I am pleased to present the National Mediation Board's (NMB) Fiscal Year 2011 financial statements. These statements demonstrate the NMB's commitment to and accountability for the taxpayers' dollars entrusted to us. This report fulfills the requirements of the Reports Consolidation Act of 2000, the Chief Financial Officers Act, the Government Performance and Results Act, the Federal Managers' Financial Integrity Act, and the Government Management Reform Act.

For the fourteenth consecutive year, Allmond & Company reported that the financial statements included in this report were presented fairly, in all material respects, and in conformity with the U.S. generally accepted accounting principles (GAAP) for Federal agencies. In FY 2010, the auditors identified a material weakness regard-

ing the untimely recording of obligations related to arbitration services. The NMB began its review of the auditors' finding during the fourth quarter of FY 2011 and will correct the material weakness in FY 2012.

The NMB continues to strive to maintain an environment in which program and financial managers work to ensure the integrity of financial information and use that information in decision making and performance measurement.



June D.W. King

Director, Office of Administration
and Chief Financial Officer

Audit Reports

September 30, 2011

ALLMOND & COMPANY, LLC
Certified Public Accountants
8181 Professional Place, Suite 250
Landover, Maryland 20785
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Independent Auditor's Report

Board Members

National Mediation Board

We audited the accompanying balance sheet of the National Mediation Board (NMB) as of September 30, 2011, and the related statements of net cost, changes in net position, and statement of budgetary resources for the year then ended (the principal financial statements). These financial statements are the responsibility of NMB management and were prepared by NMB in accordance with Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*, as amended. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with *Government Auditing Standards*, auditing standards generally accepted in the United States, and OMB Bulletin No. 07-04, *Audit Requirements/or Federal Financial Statements*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the principal financial statements referred to above present fairly, in all material respects, the financial position of NMB as of September 30, 2011, and its net costs, changes in net position, and budgetary resources for the year then ended in conformity with accounting principles generally accepted in the United States.

The information in the *Management and Discussion Analysis* section of this report is not a required part of the principal financial statements, but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this information. However we did not audit this information and, accordingly, we express no opinion on it.

We issued a draft of this report to NMB management and requested its comments. Management replied by indicating its general agreement with the audit results. In accordance with *Government Auditing Standards*, we issued separate reports dated October 24, 2011 on NMB's internal control and compliance with laws and regulations. Our reports on internal control and compliance are an integral part of an audit conducted in accordance with *Government Auditing Standards* and, in considering the results of the audit, those reports should be read together with this report.

Allmond & Company LLC
ALLMOND & COMPANY, LLC

October 24, 2011
Landover, Maryland

Independent Auditor's Report on Internal Control

Board Members

National Mediation Board

We audited the accompanying balance sheet of the National Mediation Board (NMB) as of September 30, 2011, and the related statements of net cost, changes in net position, budgetary resources, and financing for the year then ended (the principal financial statements) and issued our report thereon, dated October 24, 2011. We conducted our audit in accordance with *Government Auditing Standards*, auditing standards generally accepted in the United States, and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*.

In planning and performing our audit, we considered NMB's internal control over financial reporting by obtaining an understanding of NMB's internal control, determining whether internal control had been placed in operation, assessing control risk, and performing tests of control to determine auditing procedures for the purpose of expressing our opinion on the principal financial statements. We limited internal control testing to that necessary to achieve the objectives described in OMB Bulletin No. 07-04. We did not test all internal control relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982, such as the internal control relevant to ensuring efficient operations. The objective of our audit was not to provide assurance on internal control. Consequently, we do not express an opinion on internal control.

With respect to internal control related to performance measures reported in NMB management's overview, we obtained an understanding of the design of significant internal control relating to the existence and completeness assertions, as required by OMB Bulletin 07-04. We also assessed control risk relevant to NMB intra-agency transactions and balances. Our procedures were not designed to provide assurance on internal control over reported performance measures, and accordingly, we do not express an opinion on such control.

Our consideration of internal control over financial reporting would not necessarily disclose all matters that might be reportable conditions. Under standards issued by the American Institute of Certified Public Accountants, control deficiencies exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency or a combination of control deficiencies, that adversely affects the NMB's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the NMB's financial statements that is more than inconsequential will not be prevented or detected.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected. Because of inherent limitations in internal control, misstatements, losses, or noncompliance may nevertheless occur and not be detected.

In our fiscal year 2011 audit, we noted, one matter described in Exhibit I that we considered to be a material weakness. This control weakness was also considered to be a material in the FY 2010 audit.

We issued a draft of this report to NMB management and requested its comments. Management replied by indicating its general agreement with the audit results. This report is intended solely for the information of NMB management, OMB, and Congress. This report is not intended to be and should not be used by anyone other than these specified parties.

Allmond & Company LLC

ALLMOND & COMPANY, LLC

October 24, 2011

Landover, Maryland

Exhibit 1

Material Weakness

Improvements Were Needed in Recording Obligations Related to Arbitration Services

During FY 2010, NMB appointed an arbitrator to hear a case or a group of related cases by issuing a Certificate of Appointment. The Certificate of Appointment must be signed by both parties (NMB and arbitrator); it commits NMB to pay the arbitrator once an award is made on a case and requires the arbitrator to hear a case or group of related cases. We noted NMB did not record an obligation in the general ledger once the Certificate of Appointment is signed by both parties.

We recommended NMB develop and implement policies and procedures requiring an obligation to be established in the general ledger once a Certificate of Appointment has been signed by NMB and an arbitrator, and the Office of Administration reconcile obligations established in the general ledger to the amount of open cases heard by an arbitrator per the Case Management System.

As part of NMB's FY 2010 corrective action plan, NMB terminated all Certificates of Appointments effective July 1, 2011 and eligible arbitrators were issued letters indicating that they were available to do work as assigned by NMB during the period of July 1, 2011 through September 30, 2011.

During our FY 2011 audit, we noted NMB management still needs to make improvements in recording obligations related to arbitration services. NMB has not fully implemented policies and procedures to record obligations related to arbitration services in the general ledger when they are incurred (once arbitrator is assigned to a case). Specifically, the following weaknesses were identified (1) a document no longer exists that evidences that an arbitrator has been assigned to hear a case; (2) there is no procedure in place that notifies Office of Administration that an arbitrator has been assigned to hear a case (obligation was incurred); and (3) obligations related to arbitration services were established on a month-to-month basis in the general ledger.

Statements of Federal Financial Accounting Concepts (SFFAC) *5 Elements of Accrual Basis Financial Statements and Basic Recognition Criteria* paragraph 42 states, "As the term is used in this Statement, an obligation is a duty or responsibility to act in a certain way. To have a present obligation means that the obligation arose as a result of a past transaction or other event and has not yet been settled. Thus, a present obligation should be distinguished from a mere expression of future intent, such as the government's announcement that it intends to acquire equipment. A present obligation is incurred when the government takes a specific action or an event occurs that commits or binds the government."

At the end of FY 2011, NMB had assigned approximately 2,182 cases to arbitrators to hear. NMB had not established an estimate of the full obligation in the general ledger for all costs associated (travel, hearing the case, and writing a decision) with obtaining an award on the 2,182 cases in which an arbitrator had been assigned to hear at the time the obligation was incurred. NMB established an obligation in the general ledger in September 2011 for (1) arbitrators to write an award on the 661 cases that were heard as of FY 2011; and (2) arbitrators to hear and write an award on 1,521 cases that had not been heard by the end of FY 2011.

Government Accountability Office (GAO) Standards on Internal Control in the Federal Government states, "Transactions should be promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from the initiation and authorization through its final classification in summary records. In addition, control activities help to ensure that all transactions are completely and accurately recorded."

It is NMB practice to establish obligations related to arbitration cases in the general ledger on a month to month basis for expenses that the arbitrator will incur while hearing the case, and once the arbitrator makes an award on a case. Also, at the end of the fiscal year they establish an obligation for cases assigned to an

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arbitrator that have not been heard or an award has not been provided as of September 30.

As a result, obligations recorded in the general ledger during the fiscal year related to arbitration were understated by approximately \$600,000 during FY 2011. Also, not recording obligations in the general ledger when incurred may lead to NMB incurring more obligations than funds made available to them by governing bodies.

Since NMB management still is not recording obligations related to arbitration when incurred, we consider the recommendations made in the FY 2010 audit unresolved and open. To close the recommendations, management needs to do the following:

- 1 Develop and implement policies and procedures requiring the estimation of the full obligation required for an arbitrator to write an award on cases that have been assigned to be recorded in the general ledger at the time it is incurred.
- 2 Develop a document that must be used by the Office of Arbitration to assign an arbitrator to hear a case. This document should be approved by the Director of Arbitration before an obligation is established in the general ledger for all cost associated with the arbitrator rendering an award on the assigned case.
- 3 Office of Administration and Arbitration reconcile the status of obligations established in the general ledger to the amount of cases assigned to an arbitrator per the Case Management System.
- 4 Monitor activities performed monthly by Office of Administration and Office of Arbitration over the funds that remain available for obligation related to arbitration services.
- 5 Develop a mechanism to estimate and update obligations related to arbitration as more information about the status of the case becomes available.

Management Response

NMB Management concurs with the recommendations identified above and has already put those recommendations in place.

Cancelling the Certificates of Appointment and issuing letters to contractors indicating that they were available to do work, as assigned, for the NMB, the agency is fully compliant with the cited language from the SFFAC: the agency has moved from an obligation to a notice of intent.

Establishment of the Arbitrator Workspace puts in place controls on which cases are assigned to an arbitrator, and allows for tracking of all work associated with a case, from assignment to receipt of the arbitrator's determination. This allows a full accounting of the obligation at the point funds are approved. A "report on demand" feature of the Arbitrator Workspace will allow the Offices of Administration and Arbitration to review, at any time, the status of cases, the status of obligations, and the status of funds for Section 3. Actions taken in the Arbitrator Workspace will be instantly recorded in the Arbitration case management data base, and will be evidence of agency actions sufficient to establish an audit trail for all transactions.

The Arbitrator Workspace is being testing during the first quarter of FY 2012 with approximately 20 percent of the active arbitrators involved as the test group. This test period will confirm the efficacy of the system design and will allow for development of adequate communication between the Offices of Administration and Arbitration. The Arbitrator Workspace and all of its audit functions will be fully operational and mandatory for all arbitrators at the beginning of calendar year 2012.

Independent Auditor's Report On Compliance

Board Members

National Mediation Board

We audited the accompanying balance sheet of the National Mediation Board (NMB) as of September 30, 2011, and the related statements of net cost, changes in net position, budgetary resources, and financing for the year then ended (the principal financial statements) and issued our report thereon, dated October 24, 2011.

We conducted our audit in accordance with *Government Auditing Standards*, auditing standards generally accepted in the United States, and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements/or Federal Financial Statements*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

NMB management is responsible for complying with laws and regulations. As part of obtaining reasonable assurance about whether NMB's financial statements are free of material misstatement, we performed tests of its compliance with:

- Certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.
- Certain other laws and regulations specified in OMB Bulletin o. 07-04.

We limited our tests of compliance to these provisions and did not test compliance with all laws and regulations applicable to NMB. Our audit was not designed to provide an opinion on compliance with provisions of laws and regulations. Accordingly, we do not express such an opinion.

Our tests disclosed no instances of material noncompliance required to be reported under *Government Auditing Standards*. Additionally, we did not note any instances of immaterial noncompliance.

We issued a draft of this report to NMB management and requested its comments. Management replied by indicating its general agreement with the audit results. This report is intended solely for the information of NMB management, OMB, and Congress. This report is not intended to be and should not be used by anyone other than these specified parties.


ALLMOND & COMPANY, LLC
October 24, 2011
Landover, Maryland

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National Mediation Board Balance Sheet

As of September 30, 2011 and September 30, 2010

Assets	2011	2010
Entity Assets:		
Intragovernmental		
Fund Balance with Treasury (Note 2)	\$ 4,695,777	\$ 4,140,310
Real Estate, Property and Equipment (Note 3)	174,567	208,355
Total Assets	\$ 4,870,344	\$ 4,348,665
<hr/>		
Liabilities and Net Position	2011	2010
Liabilities:		
Intragovernmental Liabilities:		
Accounts Payable	\$ 240,907	\$ 85,488
Governmental Liabilities:		
Accounts Payable	487,457	361,664
Accrued Payroll and Benefits	130,139	331,386
Capital Lease Liability (Note 8)	120,481	130,892
Contingent Arbitrator Liability (Note 9)	542,520	486,900
Unfunded Annual Leave	413,336	412,471
Total Liabilities	1,913,060	1,808,801
Net Position:		
Unexpended Appropriated Capital	3,716,794	3,259,683
Cumulative Results of Operations	(781,290)	(719,819)
Total Net Position	2,935,504	2,539,864
Total Liabilities and Net Position	\$ 4,870,344	\$ 4,348,665

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National Mediation Board Statement of Net Cost

For the Year Ended September 30, 2011 and September 30, 2010

Costs	2011	2010
Mediation/Representation, Arbitration, and Emergency Board		
Intragovernmental	\$ 4,001,276	\$ 3,493,783
With the Public	9,187,747	8,914,332
Total	13,189,023	12,408,115
Less Revenue from Services	0	0
Net Program Costs	\$ 13,189,023	\$ 12,408,115
Total Assets	\$ 13,189,023	\$ 12,408,115

National Mediation Board Statement of Changes in Net Position

For the Year Ended September 30, 2011 and September 30, 2010

	2011	2010
Unexpended Appropriations		
Beginning Balance – October 1, 2010	\$ 3,259,683	\$ 2,707,490
Prior Period Adjustments	(28,803)	8,158
Beginning Balance Adjusted	\$ 3,230,881	\$ 2,715,648
Appropriations Received	13,463,000	13,463,000
Other Adjustments	(358,876)	(469,620)
Appropriations Used	(12,618,211)	(12,449,345)
Total Unexpended Appropriations	\$ 3,716,794	\$ 3,259,683
Cumulative Results of Operations		
Beginning Balance – October 1, 2010	\$ (719,819)	\$ (1,239,365)
Prior Period Adjustments – All Other Funds	28,803	(8,158)
Beginning Balance as Adjusted – All Other Funds	\$ (691,016)	\$ (1,247,523)
Appropriations Used – All Other Funds	12,618,211	12,449,345
Imputed Financing – All Other Funds (Note 5)	480,538	486,474
Net Cost of Operations – All Other Funds	(13,189,023)	(12,408,115)
Total Cumulative Result of Operations	\$ (781,290)	\$ (719,819)
Net Position	\$ 2,935,504	\$ 2,539,864

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National Mediation Board Statement of Budgetary Resources

For the Year Ended September 30, 2011 and September 30, 2010

	2011	2010
Budgetary Resources		
Budget Authority	\$ 13,463,000	\$ 13,463,000
Unobligated Balance – Beginning Period	2,324,226	2,153,324
Spending Authority from Offsetting Collections	0	90
Recoveries of Prior Year Obligations	0	0
Adjustments	(358,876)	(469,620)
Appropriations Used	(12,618,211)	(12,449,345)
Total Budgetary Resources	\$ 15,428,350	\$ 15,146,794
Status of Budgetary Resources		
Obligations Incurred (Note 10)	\$ 12,827,444	\$ 12,822,568
Unobligated Balance – Available	467,152	466,420
Unobligated Balance – Not Available	2,133,754	1,857,806
Total Status of Budgetary Resources	\$ 15,428,350	\$ 15,146,794
Outlays		
Obligations Incurred	12,827,444	12,822,568
Less: Spending authority from offsetting collections and adjustments	(0)	(90)
Recoveries of Prior Year Obligations	(0)	(0)
Obligated Balance, Net – Beginning Period	1,816,083	1,599,537
Obligated Balance, Transferred, Net	(2,094,871)	(1,816,083)
Less: Obligated Balance, Net – End of Period		
Net Outlays	\$ 12,548,656	\$ 12,605,931

Note 1: Summary of Significant Accounting Policies

Description of Reporting Entity

The National Mediation Board (NMB), established in 1934 under section 4 of the Railway Labor Act (RLA), is an independent U.S. federal government agency that performs a central role in facilitating harmonious labor-management relations within two of the nation's key transportation modes - the railroads and airlines. Recognizing the importance of these transportation industries to the public shippers, and consumers, as well as to the economy and security of the country, the RLA established NMB to promote four key statutory goals:

- The prompt and orderly resolution of disputes arising out of the negotiation of new or revised collective bargaining agreements;
- The avoidance of interruptions to interstate commerce;
- The protection of employee rights to self-organization; and
- The prompt and orderly resolution of disputes over the interpretation or application of existing agreements.

These financial statements include all activity related to NMB's appropriation (No. 95112400), the principal funding for all NMB activities.

NMB prepares its financial statements to be in conformity with generally accepted accounting principles.

NMB does not hold any non-entity assets and has no earmarked funds as described by the Government Accountability Office (GAO).

Budgets and Budgetary Accounting

Congress annually adopts a budget appropriation that provides NMB with authority to use funds from Treasury to meet operating and program expense requirements. NMB has single year budgetary authority and all unobligated amounts at year-end are expired. At the end of the fifth year all amounts not expended are canceled. All revenue received from other sources must be returned to the U.S. Treasury.

Basis of Accounting

NMB's financial statements are prepared under the accrual method of accounting. The accrual method of accounting requires recognition of the financial effects of transactions, events, and circumstances in the period(s) when those transactions, events, and circumstances occur, regardless of when cash is received or paid. NMB also uses budgetary accounting to facilitate compliance with legal constraints and to keep track of its budget authority at the various stages of execution, including allotment, obligation, and eventual outlay.

The Balance Sheet, Statement of Net Cost, Statement of Net Position, and Statement of Budgetary Resources have been prepared in accordance with generally accepted accounting principles.

Revenue and Other Financing Sources

NMB receives funds to support its programs through annual appropriations. These may be used to pay program and administrative expenses (primarily salaries and benefits, occupancy, travel, and contractual services costs).

Appropriations are recognized as financing sources at the time they are used to pay program or administrative expenses. Appropriations used to acquire property and equipment is recognized as financing sources when the assets are purchased.

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NMB also earns revenue when it bills for copies of subscriptions. These subscriptions are for determinations on the cases NMB handles.

Fund Balances with the US Department of the Treasury

NMB does not maintain cash in commercial bank accounts. Cash receipts and disbursements are processed by Treasury. The balance of funds with Treasury represents appropriated fund balances that are available to pay current liabilities and finance authorized purchase obligations relative to goods or services that have not been received.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. NMB capitalizes property and equipment purchases with a cost greater than \$5,000, and a total useful life exceeding one year. Depreciation is calculated on a straight-line basis based on an estimated useful life of 5 years for all assets. Expenditures for repairs and maintenance are charged to operating expenses as incurred.

When NMB enters into a lease agreement, as lessee, if the title of the asset transfers to NMB at the end of the lease or any of the other three capitalization criteria pursuant to SFFAS No. 6, *Accounting for Property, Plant, and Equipment*, are met, NMB capitalizes the lease at the present value of minimum lease payment and amortizes the cost over the economic useful life of the asset.

Liabilities

Liabilities represent the amount of monies or other resources that are likely to be paid by NMB as the result of a transaction or event that has already occurred. However, no liability can be paid by NMB absent an appropriation. Liabilities for which an appropriation has not been enacted are therefore classified as Liabilities Not Covered by Budgetary Resources and there is no certainty that the appropriations will be enacted. Also, liabilities of NMB arising from other than contracts can be abrogated by the government, acting in its sovereign capacity.

Regarding NMB's building lease, the General Services Administration (GSA) entered into a lease agreement for NMB's rental of building space. NMB pays GSA a standard level users charge for the annual rental. The standard level users charge approximates the commercial rental rates for similar properties.

Accrued Leave

Accrued payroll and benefits reflect salaries and benefits that have been earned, but not disbursed as of September 30, 2011.

Unfunded Annual Leave

Annual leave is accrued as a liability as it is earned. The accrual is reduced as leave is taken. Each year, the balance in the accrued annual leave account is adjusted to reflect current year pay rates. To the extent that the current or prior year appropriations are not available to fund annual leave earned but not taken, funding will be obtained from future appropriations. Sick leave and other types of non-vested leave are charged to expense as the leave is used.

Liabilities Not Covered By Budgetary Resources

These liabilities are not funded by direct budgetary authority. Liabilities not covered by budgetary resources result from the receipt of goods or services in the current or prior periods, or the occurrence of eligible events in the current or prior periods for which appropriations, revenues, or other financing sources of funds necessary to pay the liabilities have not been made available through Congressional appropriations or current earnings of the reporting entity. Liabilities not covered by budgetary resources as of September 30, 2011 and September 30, 2010 were:

	FY 2011	FY 2010
Unfunded Annual Leave	\$ 413,336	\$ 412,471
Contingent Arbitrators Liabilities	\$ 542,520	\$ 486,900

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Net Position

Appropriated fund balance consists of the following components:

Unexpended appropriated capital - represents amounts of unavailable and available budget authority that are unobligated, or obligated but not expended. The obligated amount represents amounts for goods and/or services outstanding for which funds have been obligated, but the liabilities have not been accrued.

	FY 2011	FY 2010
Unobligated, available	\$ 0	\$ 0
Unobligated, unavailable	2,600,906	2,324,227
Undelivered Orders	1,115,888	935,456
Unexpended Appropriated Capital	\$ 3,716,794	\$ 3,259,683

Future funding requirements - represents the liabilities not covered by available budgetary resources.

Retirement Plan

NMB's employees participate in either the Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS). Employees participating in CSRS contribute 7 percent of their gross pay to the plan, and NMB contributes 7 percent.

On January 1, 1987, FERS went into effect pursuant to Public Law 99-335. Most employees hired after December 31, 1983, are automatically covered by FERS and are eligible for Social Security benefits. Employees hired prior to January 1, 1984, could elect either to transfer to the FERS plan and become eligible for Social Security benefits or remain in CSRS. A primary feature of FERS is that it offers a savings plan in which NMB automatically contributes 1 percent of employees' pay and matches any employee contribution up to an additional 4 percent of pay.

The actuarial present value of accumulated benefits, assets available for benefits, and unfunded pension liability of CSRS and FERS is not allocated to individual departments and agencies and is therefore not disclosed by NMB. The reporting of these amounts is the responsibility of the Office of Personnel Management.

During fiscal years 2011 and 2010, NMB paid \$70,803 and \$82,795 for CSRS, and \$464,031 and \$406,059 for FERS, respectively for its employees' coverage.

Tax Status

NMB, as an independent Board of the executive branch, a federal agency, is not subject to federal, state, or local income taxes, and, accordingly, no provision for income tax is recorded.

Note 2: Fund Balances with Treasury

Fund balances with Treasury were entirely entity assets from appropriations and consisted of the following:

	FY 2011	FY 2010
Obligated	\$ 2,094,871	\$ 1,816,083
Unobligated Available	0	0
Unobligated Restricted	2,600,906	2,324,226
Fund Balance with Treasury	\$ 4,695,777	\$ 4,140,309

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Note 3: Property and Equipment, Net

NMB uses straight-line depreciation with a useful life of 5 years and a capitalization threshold of \$5,000. Property and equipment, and related accumulated depreciation, at September 30, 2011 and September 30, 2010 consisted of:

	FY 2011	FY 2010
Equipment-Capitalized	\$ 93,553	\$ 187,300
Capital Lease	182,353	160,959
	275,906	348,259
Less: Accumulated Depreciation	(101,339)	(139,904)
Total Property and Equipment, net	\$ 174,567	\$ 208,355

Note 4: Program/Operating Expenses

Although OMB Circular A-136 only requires that operating expenses be broken out by program and object classification if the principal statements may be misleading for FY 2011, NMB has chosen to display its operating expenses by object classification for FY 2011 and FY 2010 for a more clear presentation.

	FY 2011	FY 2010
Personnel Compensation	\$ 7,188,686	\$ 7,665,815
Personnel Benefits	1,496,094	1,490,352
Travel of Persons	627,539	626,323
Transportation of Things	1,422	5,902
Rent/Comm/Utilities	1,530,393	1,276,370
Printing	4,376	41,899
Other Services	1,457,584	1,007,180
Supplies	161,180	129,792
Equipment	118,885	338,820
Total	\$ 12,586,159	\$ 12,582,452

Note 5: Pensions, Other Retirement Benefits, and Other Post Retirement Benefits

The NMB reports the full cost of employee pensions, other retirement benefits, and other post-employment benefits in accordance with SFFAS No. 5, Accounting for Liabilities of the Federal Government. Although the NMB funds a portion of the benefits under FERS and CSRS relating to its employees and withholds the necessary payroll deductions, a portion of the Normal Pension Cost remains unpaid. SFFAS No. 5 requires the recognition of this remaining cost as imputed financing.

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Pension and other retirement benefit expenses are calculated using cost factors determined by actuaries at the Office of Personnel Management. These cost factors are calculated based on economic and demographic assumptions. The cost factor is multiplied by the basic pay in order to obtain the "Normal Cost" for the accounting period. This Normal Cost is the present value of the projected benefits of each employee allocated on a level basis over the service of the employee between entry age and assumed exit age.

The imputed financing amount represents the difference between the employer's total pension expense and the employer's contribution. For the period ending September 30, 2011 the Normal Cost, employer's total pension expense, employer's contribution and imputed financing amounts were as follows:

Employee Type	Normal Cost	Employer's Total Pension Expense	Employer's Contribution	Employer's Imputed Financing Expense
CSRS	\$ 312,344	\$ 72,638	\$ 72,638	\$ 167,068
FERS	597,109	34,615	506,245	56,249
Total	\$ 909,453	\$ 107,253	\$ 578,883	\$ 223,317
Health Insurance				256,148
Life Insurance				1,073
Total				257,221
Grand Total Imputed Financing				\$ 480,538

September 30, 2010

Employee Type	Normal Cost	Employer's Total Pension Expense	Employer's Contribution	Employer's Imputed Financing Expense
CSRS	\$ 330,909	\$ 76,956	\$ 76,956	\$ 176,998
FERS	531,249	30,797	431,159	69,293
Total	\$ 862,159	\$ 107,753	\$ 508,115	\$ 246,292
Health Insurance				239,193
Life Insurance				990
Total				240,183
Grand Total Imputed Financing				\$ 486,474

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Note 6: Obligated Balances, Net, End of Period as of September 30, 2011

The components of the obligated balance as of September 30, 2011 and September 30, 2010 are:

	FY 2011	FY 2010
Equipment-Capitalized	\$ 1,115,888	\$ 935,456
Capital Lease	978,983	880,627
Total Property and Equipment, net	\$ 2,094,871	\$ 1,816,083

Note 7: Statement of Financing

For the Year Ended September 30, 2011 and September 30, 2010

	2011	2010
Resources Used to Finance Activities		
Obligations Incurred	\$ 12,827,444	\$ 12,822,568
Less: Spending authority for offsetting collections and Recoveries of Prior Year Obligations	(0)	(90)
Imputed Financing (Note 5)	480,538	486,474
Total Budgetary Resources to Finance Activities	\$ 13,307,982	\$ 13,308,952
Less: Resources Not Used to Finance		
Net Cost of Operations		
Change in Amount of Goods, Services and Benefits ordered but not yet Received or Provided	\$ 180,430	\$ 373,132
Costs Capitalized on the Balance Sheet	72,353	211,096
Other	6,645	0
Total Resources Not Used to Finance Net Cost of Operations	\$ 259,428	\$ 584,229
Total Resources Used to Finance Net Cost of Operations	\$ 13,048,554	\$ 12,724,722
Costs that do not require Resources:		
Depreciation and Amortization	\$ 55,181	\$ 39,313
Change in Future Funded Liabilities	56,485	(378,925)
Revaluation of Assets and Liabilities	28,803	23,004
Total Costs that do not require Resources	140,469	(316,607)
Net Cost of Operations	\$ 13,189,023	\$ 12,408,115

Note 8: Accounting for Leases

Operating Leases

NMB occupies office space under a lease agreement with the General Services Administration (GSA) that is accounting for as an operating lease. The lease term was for a period of eleven years began on November 1, 2000 and expires on October 31, 2011. NMB pays GSA a standard level users charge for the annual rental adjusted annually for operating cost escalations in accordance with the provisions in the Federal Management Regulations. The operating rent and taxes was to be inflated by 0.76% from 2010 to 2011 to estimate the escalation that the market will yield. GSA is currently renewing a new lease.

Capital Leases

NMB entered into a capital lease on December 6, 2006 to lease a Xerox machine over a five-year period. The lease provide for ownership to transfer to NMB at the end of the lease period. The present value of the minimum lease payments of \$6,555.84 annually at an interest rate of 9.5 percent was determined to be \$25,215. The Capital Lease Asset is being depreciated on a straight line basis on 5 years. The Capital Lease Liability as of September 30, 2011 and 2009 was \$0 and 5,987, respectively.

NMB entered into a capital lease on October 6, 2008 to lease a Xerox machine over a five-year period. The lease provide for ownership to transfer to NMB at the end of the lease period. The present value of the minimum lease payments of \$1,671 annually at an interest rate of 9.5 percent was determined to be \$6,415.23 for the second machine. The Capital Lease Asset is being depreciated on a straight line basis on 5 years. The Capital Lease Liability as of September 30, 2010 and 2009 was \$2,919 and 4,192, respectively.

NMB entered into a capital lease on October 6, 2008 to lease a Xerox machine over a five-year period. The lease provide for ownership to transfer to NMB at the end of the lease period. The present value of the minimum lease payments of \$7,033 annually at an interest rate of 9.5 percent was determined to be \$27,006 for the last machine. The Capital Lease Asset is being depreciated on a straight line basis on 5 years. The Capital Lease Liability as of September 30, 2010 and 2009 was \$12,289 and 17,646, respectively.

NMB entered into a capital lease on September 10, 2010 to lease a Xerox machine over a five-year period. The lease provide for ownership to transfer to NMB at the end of the lease period. The present value of the minimum lease payments of \$25,807.20 annually at an interest rate of 8.25 percent was determined to be \$102,365.28 for the machine. The Capital Lease Asset is being depreciated on a straight line basis on 5 years. The Capital Lease Liability as of September 30, 2011 and 2010 was \$84,704 and 102,089, respectively.

NMB entered into a capital lease on September 27, 2010 to lease a Xerox machine over a five-year period. The lease provide for ownership to transfer to NMB at the end of the lease period. The present value of the minimum lease payments of \$5,393.52 annually at an interest rate of 8.25 percent was determined to be \$21,393.61 for the machine. The Capital Lease Asset is being depreciated on a straight line basis on 5 years. The Capital Lease Liability as of September 30, 2011 and 2010 was \$17,765 and 21,393, respectively.

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Note 9: Contingent Arbitrator Liabilities

By law, NMB is required to appoint an arbitrator if a grievance adjustment board cannot resolve a grievance. NMB appoints an arbitrator by approving the request from the Arbitrator to hear a specific case or a specified group of related cases and a work order setting out the daily rate of compensation, per diem, and travel costs. NMB's policy is to record an obligation at the beginning of each month when it approved an arbitrator's compensation request. Since such arbitrator services are considered nonseverable services, NMB record an estimated obligation amount for the service outstanding due to arbitrator appointments at the end of each fiscal year for financial reporting purposes. Using the caseload table on the website as of September 15, 2011, NMB had a total number of cases that have not been assigned to Arbitrators of 1,224. Based on our historical assumption the contingent liability is \$542,520 which assumes an average of 1.5 days to decide the cases and an average of 122 days @ 300 to hear the cases.

Note 10: Apportionment Categories of Obligations Incurred

Obligations Incurred reported on the Statement of Budgetary Resources in 2011 and 2010 consists of the following:

Direct Obligations	FY 2011	FY 2010
Category A	\$ 12,769,920	\$ 12,822,568
Category B	57,524	0
Total Obligations Incurred	\$ 12,827,444	\$ 12,822,668

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Management Assurances

This section provides information on NMB's compliance with the Federal Managers' Financial Integrity Act (FMFIA) and the Improper Payments Information Act, as well as other management information, initiatives, and issues. FMFIA requires that agencies establish controls that provide reasonable assurance that:

- obligations and costs comply with applicable law;
- assets are safeguarded from waste, loss, unauthorized use, or misappropriation; and
- revenues and expenditures are properly recorded and accounted for.

It also requires the Chairman to provide an assurance statement on the adequacy of management controls.

Assurance Statement (FMFIA)

The NMB's management is responsible for establishing and maintaining effective internal controls that meet the obligations of FMFIA within their areas of responsibility. Based on the directors' knowledge of daily operations and other management reviews, the NMB is able to provide an unqualified statement of assurance that the internal controls meet the objectives of FMFIA.



Linda A. Puchala
Chairman
October 26, 2011

Improper Payments Information Act

The NMB is considered to be at low risk for improper payments since the functional payment areas are limited to traveler reimbursement, commercial vendors for supplies and services, and the payroll EFT payments. The NMB does not administer any entitlement, grant, or loan programs.

Federal Travel Card Program

The NMB is a full participant in the Federal Travel Card Program, and has issued travel credit cards to employees whose official duties may require frequent travel. The Office of Administration routinely monitors each employee's usage of the travel card to ensure that charge activities are restricted to official government travel-related expenses, and that the employee is paying his/her credit card bills on-time.

During FY 2011, employees were reimbursed for authorized travel-related expenses an average of one business day after receipt of their completed travel voucher.

During this same period, no NMB employee's travel card account was identified as being delinquent and no inappropriate usage of the travel card was identified.

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Federal Purchase Card Program

During this period, the NMB continued its use of the U .S. Government's purchase card program to expedite the purchase of authorized supplies and services. The NMB has an internal process which requires a purchase request for all requests. This purchase request is reviewed and approved by the office director before being submitted to the Office of Administration for action. The OA staff determines the appropriate contracting vehicle to procure the requested goods and/or services. The Office of Administration has an internal operating procedure which supplements the coverage in the Federal Acquisition Regulation (FAR) Subpart 1.6, Contracting Authority and Responsibilities.

Federal Information Security Management Act (FISMA)

The Federal Information Security Management Act (FISMA) requires an annual, independent evaluation of each agency's information technology (IT) security program. The NMB continued to work with the Bureau of the Public Debt to perform a review of the NMB's technology security program. The results of the review, form the basis of the NMB's annual FISMA report to OMB, and associated Plans of Action & Milestones (POA&M). The NMB provides its employees and contractors with annual Information Systems Security Awareness training as required by this Act. During this fiscal year, the NMB systems were certified and accredited for the next three years.

FMFIA Material Weakness In Management Operations

In the NMB's 2010 financial audit, the auditors identified a material weakness with the untimely recording of obligations related to arbitration services. These services are payments made to the arbitrators, contractors, who hear and decide minor disputes in the railroad industry. After a review of the current procedures which gave raise to this material weakness, the NMB revised its procedures during the last quarter of the fiscal year. The NMB expects to fully eliminate this material weakness during the FY 2012 reporting cycle.

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Statistical Summary of Performance

**Report pursuant to Section 2 of the Integrity Act:
Internal Control System**

Overall Compliance: Yes

Number of Material Weaknesses:

Period Reported	Reported	Corrected	Pending
Prior Years	0	N/A	0
2006 Report	0	N/A	0
2007 Report	0	N/A	0
2008 Report	0	N/A	0
2009 Report	0	N/A	0
2010 Report	1	0	1
2011 Report	1	0	1
Total	1	0	1

Pending Material Weaknesses (by function):

Category	Number	Year First Reported
Program management	1	2010
Functional management:	0	N/A
• Procurement	0	N/A
• Grant management	0	N/A
• Personnel & organizational management	0	N/A
• ADP security	0	N/A
• Payment systems and cash management	0	N/A
• Loan management and debt collection	0	N/A
• Property and inventory management	0	N/A
Total	1	2010

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**Report pursuant to Section 4 of the Integrity Act:
Systems and Conformance**

Overall Compliance: Yes

Management Systems

Existing Systems	Total	In Conformance
Prior Years	1	1
2006 Report	1	1
2007 Report	1	1
2008 Report	1	1
2009 Report	1	1
2010 Report	1	1
2011 Report	1	1
Total	1	1

Pending Nonconformance

Material nonconformance	Reported	Corrected	Pending
Prior Years	0	N/A	0
2006 report	0	N/A	0
2007 report	0	N/A	0
2008 report	0	N/A	0
2009 report	0	N/A	0
2010 report	0	N/A	0
2011 report	0	N/A	0
Total	0	N/A	0

FINANCIAL REPORTS

MANAGEMENT
ASSURANCES

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**Report pursuant to Section 4 of the Integrity Act:
Financial Management Systems**

Overall Compliance: Yes, Achieved 1988

Number of Material Weaknesses

Period Reported FY	Reported	Corrected	Pending
Prior Years	0	N/A	0
2006 Report	0	N/A	0
2007 Report	0	N/A	0
2008 Report	0	N/A	0
2009 Report	0	N/A	0
2010 Report	0	N/A	0
2011 Report	0	N/A	0
Total	0	N/A	0

Pending Nonconformance

Period Report: FY 2011	Number	Year First Reported
General ledger control	0	N/A
Interfaces	0	N/A
Data accuracy, timeliness, comparability, usefulness	0	N/A
Property	0	N/A
Cash management	0	N/A
Receivables	0	N/A
Program costs	0	N/A
Payroll	0	N/A
Systems documentation	0	N/A
Audit trails, security	0	N/A
Other	0	N/A
Total	0	N/A

Railroad Grievance Arbitration

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**RAILROAD GRIEVANCE
ARBITRATION**

NRAB

65

National Railroad Adjustment Board Members for FY-11

NRAB

Michael C. Lesnik, Board Chairman

Marcus J. Ruef, Board Vice Chairman

**FIRST DIVISION
MEMBERS**

John F. Hennecke
NRLC, Chairman

David B. Wier
UTU, Vice Chairman

Douglas W. Davidson
BLET

Bruce D. Feltmeyer
UTU

Joseph Flanley, CR

Jeffrey Monahan, CRL

Marcus J. Ruef, BLET

Shannon Farling
Scott, CSXT

**SECOND DIVISION
MEMBERS**

H. Glen Williams
NRLC, Chairman

James E. Meyer
IBEW, Vice Chairman

Joe R. Duncan, IAMAW
Larry Holbert, SMWIA

Donald E. Grissom
BRS

Adam Kessel, NJT

Jim M. Kuykendall
PTRA

Michelle McBride
BNSF

Noel V. Nihoul, CSXT

John Thacker, F&O

**THIRD DIVISION
MEMBERS**

Michael C. Lesnik
NRLC, Chairman

Gary L. Hart
BMWED,
Vice Chairman

Mary Kay Conley, IHB

Andrea R. Gansen, UP

Mary C. Gunn, TCIU

Kelly Haley, BRS

Joe Heenan, BNSF

Isaac R. Monroe, HERE

Rick Palmer, AMTRAK

David W. Volz, ATDA

**FOURTH DIVISION
MEMBERS**

Jeffrey F. Rodgers
NRLC, Chairman

William T. Bohne
IBEW, Vice Chairman

James R. Cumby
UTU/YDM

James Patrick Finn
METRA

Matthew R. Holt, NS

Debra J. Horrell
ARASA

Certified Referees for FY-11

**FIRST DIVISION
MEMBERS**

Edwin H. Benn
Steven M. Bierig
Lisa S. Kohn
Peter R. Meyers
Lynette A. Ross
Barry Simon

**SECOND DIVISION
MEMBERS**

James E. Conwayn

**THIRD DIVISION
MEMBERS**

Edwin H. Benn
Steven M. Bierig
Martin W. Fingerhut
Patrick Halter
Ann S. Kenis
Andrea S. Knapp
Lisa S. Kohn
Sherwood Malamud
William R. Miller
Margo R. Newman
Gerald E. Wallin

**FOURTH DIVISION
MEMBERS**

Steven R. Friedman
William R. Miller

**RAILROAD GRIEVANCE
ARBITRATION**

SECTION 3 TRIBUNALS

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Section 3 Tribunals Established FY-11

No. of Boards

Public Law	65
Special Boards of Adjustment	0
Arbitration Board	1

Total 66

1. Public Law Boards, Special Boards of Adjustment and Arbitration Boards

1A. Carriers

Alabama State Dock
 Alabama & Tennessee River Railway
 Belt Railway Company of Chicago
 Bessemer & Lake Erie Railroad
 Birmingham Southern Railroad
 Burlington Northern Santa Fe
 Railway Company
 California Northern Railroad
 Canadian National Railway Company
 Canadian Pacific Railway Company
 Central Railroad of Indiana
 Chicago Central & Pacific Railroad
 Chicago and North Western
 Colorado & Wyoming Railway Company
 Connecticut Southern Railroad
 Consolidated Rail Corporation
 CP Rail System
 CSX Transportation, Inc.
 Dakota, Minnesota & Eastern Railway
 Delaware & Hudson Railroad Company
 Duluth, Missabe & Iron Range Railroad
 Duluth, Winnepeg and Pacific Railroad
 Elgin, Joliet & Eastern Railway
 Florida East Coast Railroad
 Gary Railroad Company
 Grand Trunk Western Railroad
 Great Lakes Central Railroad
 Great Western Railway of Colorado LLC
 Huron and Eastern Railway
 Illinois Central Railroad
 Illinois Central Railroad Gulf
 Indiana Harbor Belt Railroad
 Indiana & Ohio Railroad
 Iowa Interstate Railway
 Iowa Northern Railway Company
 Kansas City Southern

Kansas City Terminal Railway Company
 Long Island Rail Road
 Massachusetts Bay Commuter Railroad
 Metro North Commuter Rail
 Montana Rail Link
 National Railway Labor Conference
 National Railroad Passenger
 Corporation (AMTRAK)
 New England Central Railroad
 New Jersey Transit Authority
 New York & Atlantic Railway
 Norfolk Southern Corporation
 Northeast Illinois Regional Commuter
 Northern Indiana Commuter
 Transportation District
 Pacific Harbor Line, Inc.
 Paducah & Louisville
 Pan Am Railway
 Pennsylvania Southwestern Railroad
 Port Authority TransHudson of NY & NJ
 Portland and Western Railroad
 San Joaquin Railroad
 Soo Line Railroad Company
 South Carolina Public Railways
 South Kansas and Oklahoma Railroad
 Southeastern Pennsylvania
 Transportation Authority
 Terminal Railroad/Alabama State Dock
 Terminal Railroad Association of St. Louis
 Union Pacific Railroad Company
 Union Railroad Company
 Wheeling & Lake Erie Railroad
 White Pass-Yukon Railroad
 Wisconsin Central, Ltd.
 Wisconsin Central Railroad
 York Railway

**RAILROAD GRIEVANCE
ARBITRATION**

SECTION 3 TRIBUNALS

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1B. Unions

American Railway & Airway Supervisors
Association-TCU
American Train Dispatchers Association
Amtrak Service Workers Council
Association of Commuter Rail Employees
Brotherhood of Locomotive Engineers
& Trainmen-IBT
Brotherhood of Maintenance of
Way Employees-IBT
Brotherhood of Railroad Signalmen
Employees National Conference Committee
Independent Railway Supervisors Association
International Association of Machinists
& Aerospace Workers
International Association of Teamsters
International Brotherhood of Blacksmiths
& Boilermakers
International Brotherhood of Electrical Workers

International Railway Supervisors Association
Joint Council of Carmen, Helpers, Coach
Cleaners & Apprentices
National Conference of Firemen
and Oilers, SEIU
Railway Independent Transit Union
Sheet Metal Workers International Association
Transportation Communications
International Union
Transport Workers Union of America
United Steelworkers
United Transportation Union

1C. Arbitrators (Public Law Board, Special Board of Adjustment or Arbitration Board)

Edwin Benn	Charles Fischbach	Mitchell Kraus	Richard H. Radek
Steven Bierig	Gayle Gavin	Stanley Kravits	David Ray
John R. Binau	Carmelo Gianino	George Larney	Robert G. Richter
Robert Camp	Charlotte Gold	James Litton	Thomas N. Rinaldo
Michelle Camden	Dennis Gonzales	Charles Loughran	Sean J. Rogers
Dennis Campagna	Robert A. Grey	Frank Lynch	Lynette A. Ross
Joseph Cassidy	Patrick Halter	Roger MacDougall	Martin Scheinman
Brian Clauss	Don Hampton	Sherwood Malamud	Barry E. Simon
James E. Conway	Richard Hanft	Herbert Marx	Josef Sirefman
John B. Criswell	Robert L. Hicks	Peter R. Meyers	David Twomey
James Darby	Michele Hoyman	William Miller	M. David Vaughn
Barbara Deinhardt	Joshua M. Javits	James E. Nash	Gerald E. Wallin
Rodney Dennis	Michael Jordan	Margo Newman	Lamont Walton
Francis J. Domzalski	Ann S. Kenis	Daniel Nielsen	Leon Werb
John Easley	Richard D. Kimbel	Kenneth J. O'Brien	Elizabeth C. Wesman
Dana E. Eischen	Jonathan Klein	Robert M. O'Brien	Barbara Zausner
Nancy F. Eischen	Joyce Klein	Joan Parker	Marty E. Zusman
Lewis L. Ellsworth	Lisa S. Kohn	Robert Perkovich	
Ira Epstein	Charles W. Kohler	Robert E. Peterson	
Joseph Fagnani	Sinclair Kossoff	Francis X. Quinn	

2. Labor Protective Provisions

Robert E. Peterson

Carrier Canadian National
Union United Transportation Union

3. Union Shops – NA

Online Arbitration Reports

The following online reports are “real time”; they are updated online as the NMB updates the underlying Case Tracking System.

These reports are available on the Arbitration webpage at <http://www.nmb.gov/arbitration/amenu.html>.

NRAB Open Case Report

The NRAB Open Case Report shows all of the cases that are currently open for the NRAB. Shown in this report are the Arbitrator (if assigned), the parties, the date the case was opened, the date the case was deadlocked and the date the case was heard.

Arbitrators’ Caseload Report

This report lists by Arbitrator all of the open cases to which each Arbitrator is assigned. The report shows the parties involved, the date the case was opened and the date the case was heard. Cases that have not been closed within 6 months of the hearing date are deemed late and this is also shown in the report.

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**SUPPORTING REPORTS
& TABLES**

CASE TABLES

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Case Tables

**Table 1: Number of Cases
Received and Closed**

	FY-2011	FY-2010	FY-2009	FY-2008	FY-2007	FY-2006	Average 2006-10
Mediation							
Start-pending	84	74	44	64	75	71	65.6
New	48	43	58	20	34	37	38.4
Sum	132	117	102	84	109	108	104.0
Closed	41	33	28	40	45	33	35.8
End-pending	91	84	74	44	64	75	68.2
ADR*							
Start-pending	22	23	27	31	17	18	23.2
New	46	28	15	44	44	68	39.8
Sum	68	51	42	75	61	86	63.0
Closed	45	29	19	48	30	69	39.0
End-pending	23	22	23	27	31	17	24.0
Representation							
Start Pending	9	8	2	4**	0	0	2.8
New	41	40	46	45	25	46	40.4
Sum	50	48	48	49	25	46	43.2
Closed	48	39	40	47	24	46	39.2
End-Pending	2	9	8	2	1	0	4.0
Arbitration							
Start-pending	2770	4037**	6212	5551	4664	4581**	5009.0
New	3908	4381	4920	6056	4929	5537	5164.6
Sum	6678	8418	11132	11607	9593	10118	10173.6
Closed	4294	5648	7073	5395	4042	5454	5522.4
End-pending	2384	2770	4059	6212	5551	4664	4651.2

* ADR caseload counts include OP and OP-ODR cases only in FY-2006 through FY-2010.

** Caseload adjusted based on case audit.

**SUPPORTING REPORTS
& TABLES**

CASE TABLES

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Case Tables

**Table 2: Representation
Case Disposition**

	Number of Cases	Number of Crafts or Classes	Number of Employees Involved	Number of Employees Participating
Railroads				
Certifications	8	8	67	55
Dismissals	9	9	25	11
Totals	17	17	92	66
Airlines				
Certifications	15	15	48,951	40,509
Dismissals	16	16	51,615	44,886
Totals	31	31	100,566	85,395
Totals-Railroads and Airlines	48	48	100,646	85,461

**SUPPORTING REPORTS
& TABLES**

CASE TABLES

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Case Tables

Table 3: Cases Closed by Major Groups of Employees

Railroads	Total Cases	Representation Cases	Mediation Cases
Carmen	2	1	1
Clerks	1	0	1
Conductors	1	0	1
Electrical Workers	1	0	1
Locomotive Engineers	3	0	3
Machinists	1	0	1
Maintenance	1	0	1
Maintenance of Way	6	2	4
Operating and Non-Operating Employees	3	2	1
Signalmen	3	2	1
Train Dispatchers	1	0	1
Train and Engine Service	7	6	1
Yardmasters	2	1	1
Combined Groups, Railroad	1	1	0
Miscellaneous, Railroad	7	2	5
Railroad Total	40	17	23
Airlines	Total Cases	Representation Cases	Mediation Cases
Clerks	1	0	1
Fleet and Passenger Service Employees	4	3	1
Fleet Service Employees	3	2	1
Flight Attendants	8	4	4
Flight Dispatchers	3	3	0
Flight Kitchen	1	0	1
Engineers and Related	1	1	0
Ground School Instructors	2	1	1
Mechanics and Related Employees	7	3	4
Office Clerical Employees	1	1	0
Passenger Service Employees	1	1	0
Pilots	10	5	5
Stock and Stores	5	5	0
Miscellaneous, Airlines	2	2	0
Airline Total	49	31	18
Grand Total, Railroads and Airlines	89	48	41

**SUPPORTING REPORTS
& TABLES**

CASE TABLES

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Case Tables

Table 4: Craft or Class Determinations in Representation Cases

Railroads	Number of Cases	Number of Craft or Class Determinations	Number of Employees	Percent¹ of Employees Involved
Clerical Office, Station and Storehouse Employees	0	0	0	0
Carmen	1	1	0	0
Electrical Workers	0	0	0	0
Locomotive Engineers	0	0	0	0
Locomotive Firemen and Hostlers	0	0	0	0
Locomotive Maintenance Employees	0	0	0	0
Machinists	0	0	0	0
Maintenance of Way Employees	2	2	12	..
Operating/Non-Operating Employees	2	2	16	0
Sheet Metal Workers	0	0	0	0
Signalmen	2	2	11	..
Train Dispatchers	0	0	0	..
Train and Engine Service Employees	0	0	0	..
Train, Engine and Yard Service Employees	6	6	15	..
Transportation Operations Employees	0	0	0	..
Yardmasters	1	1	1	..
Combined Groups, Railroad	1	1	0	..
Miscellaneous, Railroad	2	2	11	..
Railroad Total	17	17	66	..

¹ Percent listing for each group represents the percentage of the 100,646 employees involved in all railroad and airline cases during fiscal year 2011.
 (..)Less than one percent.

**SUPPORTING REPORTS
& TABLES**

CASE TABLES

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Case Tables

Table 4: Craft or Class Determinations in Representation Cases (cont.)

Airlines	Number of Cases	Number of Craft or Class Determinations	Number of Employees	Percent¹ of Employees Involved
Cockpit Crew Members	0	0	0	0
Engineers and Related Employees	1	1	0	0
Fleet and Passenger Service Employees	3	3	3,672	4
Fleet Service Employees	2	2	21,715	22
Flight Attendants	4	4	40,934	41
Flight Crew Training Instructors	0	0	0	0
Flight Deck Crew Members	0	0	0	0
Flight Dispatchers	3	3	153	..
Flight Engineers	0	0	0	0
Flight Simulator Engineers	0	0	0	0
Ground School Instructors	1	1	20	..
Maintenance Training Specialists	0	0	0	0
Mechanics and Related Employees	3	3	771	1
Office Clerical Employees	1	1	0	0
Passenger Service Employees	1	1	12,518	12
Pilots	5	5	4,892	5
Stock and Stores Employees	5	5	720	1
Combined Groups, Airlines	0	0	0	0
Miscellaneous, Airlines	2	2	0	0
Airline Total	31	31	85,395	85
Grand Total, Railroads and Airlines	48	48	85,461	85

¹ Percent listing for each group represents the percentage of the 100,646 employees involved in all railroad and airline cases during fiscal year 2011.
 (..)Less than one percent.

**SUPPORTING REPORTS
& TABLES**

CASE TABLES

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Case Tables

Table 5: –Crafts or Classes Certified in Representation Cases

	National Organizations			Local Unions and/or Individuals			Totals		
	Craft or Class	Employees Number	Involved Percent	Craft or Class	Employees Number	Involved Percent	Craft or Class	Employees Number	Involved Percent
Railroads									
Representation Acquired:									
Elections	7	47	..	0	0	0	7	47	..
Proved Authorizations	0	0	0	0	0	0	0	0	0
Representation Changed:									
Elections	0	0	0	0	0	0	0	0	0
Proved Authorizations	0	0	0	0	0	0	0	0	0
Representation Unchanged:									
Elections	0	0	0	0	0	0	0	0	0
Proved Authorizations	0	0	0	0	0	0	0	0	0
Total, Railroads	7	47	..	0	0	0	7	47	..
Airlines									
Representation Acquired:									
Elections	10	5,049	5	0	0	0	10	5,049	5
Proved Authorizations	0	0	0	0	0	0	0	0	0
Representation Changed:									
Elections	0	0	0	0	0	0	0	0	0
Proved Authorizations	0	0	0	0	0	0	0	0	0
Representation Unchanged:									
Elections	4	35,460	35	0	0	0	4	35,460	35
Proved Authorizations	0	0	0	0	0	0	0	0	0
Total, Airlines	14	40,509	40	0	0	0	14	40,509	40
Total, Combined Railroads and Airlines	21	40,556	40	0	0	0	21	40,556	40

1 Percent listing for each group represents the percentage of the 100,646 employees involved in all railroad and airline cases during fiscal year 2011.

(..) Less than one percent.

Note: These figures do not include cases that were withdrawn or dismissed. Because of rounding, sums of individual items may not equal totals.

**SUPPORTING REPORTS
& TABLES**

CASE TABLES

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Case Tables

Table 6: Strikes in the Airline Industry
None

Table 7: Strikes in the Railroad Industry
None

Table 8: Presidential Emergency Boards (RLA, Section 10)
None

Table 9: Presidential Emergency Boards (RLA, Section 9a)
None

**SUPPORTING REPORTS
& TABLES**

CASE RECORDS

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Case Records

1A: Airline Mediation Cases Docketed

Carrier	Union	Craft/Class
Lynx Aviation, Inc.	AFA	Flight Attendants
AirTran Airways	AFA	Flight Attendants
Continental Airlines	IAM	Flight Attendants
CommutAir	ALPA	Pilots
Continental Airlines	ALPA	Pilots
United Airlines	ALPA	Pilots
US Airways	AFA	Flight Attendants
Southwest Airlines	TWU	Dispatchers & Assistant Dispatchers
Northern Air Cargo	IBT	Crewmembers
Piedmont Airlines	AFA	Flight Attendants
Republic Airlines	IBT	Flight Deck Crew Members
United Airlines	IBT	Mechanics & Related Employees
ExpressJet Airlines, Inc	IAM	Flight Attendants
Air Wisconsin Airlines Corporation	AFA	Flight Attendants
US Airways	IAM	Maintenance Training Specialist
US Airways	IAM	Mechanics & Related Employees
PSA Airlines, Inc.	ALPA	Pilots
Hacor, Inc.	IBT	Flight Kitchen & Commissary Employees
Ryan International Airlines	AFA	Flight Attendants
Compass Airlines, Inc	ALPA	Flight Attendants

**SUPPORTING REPORTS
& TABLES**

CASE RECORDS

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Case Records

1B: Railroad Mediation Cases Docketed

Carrier	Union	Craft/Class
Long Island Rail Road	IAM	Machinists
Canadian National Railway	BLET	Locomotive Engineers
Canadian National Railway	BLET	Locomotive Engineers
Long Island Rail Road	NCFO	Laborers
Long Island Rail Road	IBEW	Electrical Workers
Southeastern Pennsylvania Transportation Authority	BMWED	Maintenance of Way Employees
New York New Jersey Rail, LLC	SIU	Train & Engine Service Employees
National Carriers Conference Committee	RLBC	Boilermakers
Pacific and Arctic Railway and Navigation Company	IBT	Shop Crafts
Indiana Southern Railroad	IAM	Maintenance of Way Employees
North Carolina & Virginia Railroad	IAM	Maintenance of Way Employees
Progressive Rail	UTU	Conductors
Fulton County Railroad, LLC	UTU	Train & Engine Service Employees
Illinois Central Railroad	BRS	Signalmen
Pacific Harbor Line, Inc.	BLET	Engineers
Great Western Railway of Colorado, LLC	BLET	Locomotive Engineers
Long Island Rail Road	TCU	Clerks
Long Island Rail Road	TCU	Dispatchers
Long Island Rail Road	TCU	Block Operator
Long Island Rail Road	TCU	Exception 5
Wisconsin Central Ltd.	BRS	Signal & Communications Maintainers
Pan Am Railways	ATDA	Train Dispatchers
Pan Am Railways	BLET	Locomotive Engineers
Long Island Rail Road	UTU	Trainmen
Long Island Rail Road	UTU	Maintenance of Way Employees
Long Island Rail Road	UTU	Supervisors of Maintenance of Way Dept.
Long Island Rail Road	UTU	Carmen
Long Island Rail Road	UTU	Special Service Attendants

**SUPPORTING REPORTS
& TABLES**

CASE RECORDS

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Case Records

1C: Airlines Mediation Cases Closed

Carrier	Union	Craft/Class
AirTran Airways	ALPA	Pilots
Great Lakes Airlines	UTU	Flight Attendants
Pinnacle Airlines, Inc.	ALPA	Pilots
Trans States Airlines	ALPA	Pilots
United Parcel Service	IBT	Mechanics and Related Employees
American Airlines	TWU	Ground School Instructors
Miami Air International	AFA	Flight Attendants
El Al Israel Airlines	IAM	Mechanics and Related Employees
United Airlines	ALPA	Pilots
Continental Airlines	IBT	Mechanics and Related Employees
PSA Airlines, Inc.	IAM	Mechanics and Related Employees
Horizon Air Industries, Inc.	IBT	Pilots
Southwest Airlines	IBT	Stock Clerks
PLH Aviation Services, Inc.	IBT	Fleet Service Employees
Alaska Airlines	IAM	Clerical, Office, Fleet & Passenger Service Employees
AirTran Airways	AFA	Flight Attendants
Continental Airlines	IAM	Flight Attendants
Hacor, Inc.	IBT	Flight Kitchen & Commissary Employees

**SUPPORTING REPORTS
& TABLES**

CASE RECORDS

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Case Records

1D: Railroad Mediation Cases Closed

Carrier	Union	Craft/Class
Montana Rail Link, Inc.	ATDA	Yardmasters
Massachusetts Bay Commuter Railroad Company	TCU	Clerks
Massachusetts Bay Commuter Railroad Company	TCU	Supervisors of Maintenance of Way Dept.
Massachusetts Bay Commuter Railroad Company	JCC	Carmen
Massachusetts Bay Commuter Railroad Company	NCFO	Laborers
Massachusetts Bay Commuter Railroad Company	SMWIA	Sheet Metal Workers
Massachusetts Bay Commuter Railroad Company	IBEW	Electrical Workers
Massachusetts Bay Commuter Railroad Company	BRS	Signalmen
Massachusetts Bay Commuter Railroad Company	IBB	Boilermakers-Blacksmiths
Massachusetts Bay Commuter Railroad Company	BMWED	Maintenance of Way Employees
Massachusetts Bay Commuter Railroad Company	IAM	Machinists
Massachusetts Bay Commuter Railroad Company	ATDD	Train Dispatchers
Massachusetts Bay Commuter Railroad Company	UTU	Conductors & Assistant Conductors
South Central Florida Express	IAM	Operating/Non-Operating Employees
South Central Florida Express	IAM	Mechanics
South Central Florida Express	IAM	Maintenance of Way Employees
South Central Florida Express	IAM	Office Clerical Employees [AL c/c]
Montreal, Maine & Atlantic Railway	BLET	Locomotive Engineers
Canadian National Railway	BLET	Locomotive Engineers
Canadian National Railway	BLET	Locomotive Engineers
Southeastern Pennsylvania Transportation Authority	BMWED	Maintenance of Way Employees
Indiana Southern Railroad	IAM	Maintenance of Way Employees
Fulton County Railroad, LLC	UTU	Train & Engine Service Employees

**SUPPORTING REPORTS
& TABLES**

CASE RECORDS

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Case Records

2A: ADR Cases Docketed

Case Type	Carrier/Entity	Union	Group
F	Air Wisconsin Airlines Corp.	ALPA	Pilots
F	Hawaiian Airlines	AFA	Flight Attendants
F	CSX Transportation	--	--
F	Northern Indiana Commuter Transportation District	UTU	Conductors
GM	National Railroad Passenger Corp.	UTU	Train Service Employees
GM	United Airlines	IBT	Mechanics & Related Employees
GM	Miami Air International	AFA	Flight Attendants
GM	Colgan Air, Inc.	USW	Flight Attendants
GM	Southwest Airlines	SWAPA	Pilots
GM	America West	AFA	Flight Attendants
GM	US Airways	AFA	Flight Attendants
GM	Capital Cargo International Airlines	ALPA	Crewmembers
GM	Brendan Airways, LLC	IBT	Pilots
GM	Wisconsin Central Railroad	BLET	Trainmen
GM	New Jersey Transit Rail Operations	BRS	Signalmen
GM	Southwest Airlines	SWAPA	Pilots
GM	Air Transport International LLC	ALPA	Pilots
T	National Railroad Passenger Corp.	UTU	Train Service Employees
T	--	NJASAP	Pilots
T	--	IAM	Mechanics & Related Employees
T	BNSF Railway	IBEW	--
T	Gulfstream International Airlines	IBT	Pilots
T	CSX Transportation	--	--
T	United Airlines	IBT	Mechanics & Related Employees
T	CSX Transportation	IAM	Machinists
T	Air Wisconsin Airlines Corporation	ALPA	Pilots
T	British Airways	IAM	Reservation & Ticket Agents
T	--	UTU	Yardmasters
T	--	BRS	Signalmen
T	--	IAM	Machinists
T	--	IBT	Pilots
T	--	NJASAP	Pilots
T	--	--	--
T-ODR	CSX Transportation	BRS	--
T-ODR	--	UTU	Conductors
T-ODR	--	UTU	Conductors
T	--	IAM	Fleet Service Employees
T	Hawaiian Airlines	AFA	Flight Attendants
T	All railroads	--	--
T	All railroads	--	--
T	American Eagle	AFA	Flight Attendants
T	Northern Indiana Commuter Transportation District	UTU	Conductors
T	--	--	--
T	Atlantic Southeast Airlines	AFA	Flight Attendants
T	--	IAM	All
T	--	IAM	All

SUPPORTING REPORTS & TABLES

CASE RECORDS

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Case Records

2B: ADR Cases Closed

Case Type	Carrier/Entity	Union	Group
F-ODR	CSX Transportation	BLET	Engineers and Related Employees [AL c/c]
F	US Airways	AFA	Flight Attendants
F	Air Wisconsin Airlines Corp.	ALPA	Pilots
F	CSX Transportation	--	--
GM	Comair	ALPA	Pilots
GM	Pinnacle Airlines, Inc.	USW	Flight Attendants
GM	Capital Cargo International Airlines	ALPA	Pilots
GM	United Airlines	IBT	Mechanics & Related Employees
GM	Colgan Air, Inc.	USW	Flight Attendants
GM	Southwest Airlines	SWAPA	Pilots
GM	America West	AFA	Flight Attendants
GM	US Airways	AFA	Flight Attendants
GM	New Jersey Transit Rail Operations	BRS	Signalmen
T-ODR	CSX Transportation	IAM	Machinists
T	Alaska Airlines	ALPA	Pilots
T	Continental Micronesia	IAM	Flight Attendants
T	American Eagle	AFA	Flight Attendants
T	National Railroad Passenger Corp.	UTU	Train Service Employees
T	--	NJASAP	Pilots
T	--	IAM	Mechanics & Related Employees
T	BNSF Railway	IBEW	--
T	Gulfstream International Airlines	IBT	Pilots
T	CSX Transportation	--	--
T	United Airlines	IBT	Mechanics & Related Employees
T	CSX Transportation	IAM	Machinists
T	Air Wisconsin Airlines Corporation	ALPA	Pilots
T	British Airways	IAM	Reservation & Ticket Agents
T	--	UTU	Yardmasters
T	--	BRS	Signalmen
T	--	IAM	Machinists
T	--	IBT	Pilots
T	--	NJASAP	Pilots
T	--	--	--
T-ODR	CSX Transportation	BRS	--
T-ODR	--	UTU	Conductors
T-ODR	--	UTU	Conductors
T	--	IAM	Fleet Service Employees
T	Hawaiian Airlines	AFA	Flight Attendants
T	All railroads	--	--
T	All railroads	--	--
T	Northern Indiana Commuter Transportation district	UTU	Conductors
T	--	--	--
T	Atlantic Southeast Airlines	AFA	Flight Attendants
T	--	IAM	All
T	--	IAM	All

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CASE RECORDS

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Case Records

3A: Airline Representation Cases Docketed

Carrier	Union	Craft/Class
Air Serv Corp.	SSOBA	Security Officers
Allegiant Air	TWU	Flight Attendants
Allegiant Air	TWU	Flight Dispatchers
AirTran Airways	IAM	Fleet and Passenger Service Employees
Atlantic Southeast Airlines	TWU-PAFCA	Flight Dispatchers
Bristow U.S.	OPEIU	Mechanics and Related Employees
Citation Air	IBT	Pilots
Continental Airlines	IAM	Stock and Stores Employees
ExpressJet	IBT	Stock and Stores Employees
JetBlue Airways Corp.	ALPA	Pilots
NetJets Services	IBT	Flight Dispatchers
Northwest Airlines/Delta Air Lines	IAM	Office Clerical Employees
Omni Air International	AFA	Flight Attendants
Regional Elite Airline Services	USW	Fleet and Passenger Service Employees
Republic Airways, Shuttle America Chautauqua Airlines, Frontier Airlines, and Lynx Aviation	IBT-FAPA- ALPA-UTU	Pilots
Ryan International Airlines	IBT	Mechanics and Related Employees
Sky King Airlines	IBT	Pilots
Southwest Airlines	AMFA	Maintenance Controllers
United Air Lines/Continental Airlines	AFA-IAM	Flight Attendants
United Air Lines/Continental Airlines (R-7274)	IFPTE	Engineers and Related Employees
United Air Lines/Continental Airlines (R-7301)	IFPTE	Engineers and Related Employees
United Air Lines/Continental Airlines	IAM-IBT	Fleet Service Employees
United Air Lines/Continental Airlines	IAM	Stock Clerks
Vision Airlines	UTU	Pilots

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CASE RECORDS

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Case Records

3B: Railroad Representation Cases Docketed

Carrier	Union	Craft/Class
Chicago, Ft. Wayne & Eastern RR	BRS	Signalmen
Columbia & Cowlitz Ry. and Patriot Woods RR	UTU-IAM	Operating/Non-Operating Employees
Conecuh Valley RR, Three Notch RR & Wiregrass Central RR	UTU	Train and Engine Service Employees
Georgia & Florida Ry.	UTU	Maintenance of Way Employees
Illinois Central RR	BCW-IBEW	Electrical Workers
Indiana RR Co.	TCIU	Mechanical Department Employees
Industrial Ry. Switching & Services	UTU	Train and Engine Service Employees
Long Island RR	NTSA	Facilities and Staff Managers
Madison Terminal Ry.	BRS	Signalmen
Meridian & Bigbee RR	James Carson	Maintenance of Way Employees
New Orleans & Gulf Coast Ry.	UTU	Train and Engine Service Employees
Otter Tail Valley RR	UTU	Train and Engine Service Employees
Raritan Central Ry.	UTU	Train and Engine Service Employees
South Buffalo Ry.	UTU	Yardmasters
Western RR	UTU	Carmen
Western RR	UTU	Operating/Non-Operating Employees
Western RR	UTU	Train and Engine Service Employees

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& TABLES**

CASE RECORDS

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Case Records

3C: Airline Representation Cases Closed

Carrier	Union	Craft/Class	Disposition
Air Serv	SSOBA	Security Officers	FUI-Dismissal
AirTran Airways	IAM	Fleet & Passenger Service	Certification
Allegiant Air	TWU	Flight Attendants	Certification
Allegiant Air	TWU	Flight Dispatchers	Dismissal
Atlantic Southeast Airlines	PAFCA-TWU	Flight Dispatchers	Certification
Atlantic Southeast Airlines	IBT	Mechanics and Related	Certification
Atlantic Southeast Airlines	IBT	Stock Clerks	Certification
Bristow U.S.	OPEIU	Mechanics and Related	Dismissal
Citation Air	IBT	Pilots	Certification
Continental Airlines	IAM	Ground Instructors	Certification
Continental Airlines	IAM	Stock and Stores	Administratively Closed
Delta Air Lines	AFA	Flight Attendants	Dismissal
Delta Air Lines	IAM	Fleet Service	Dismissal
Delta Air Lines	IAM	Office Clerical	Dismissal-ISI
Delta Air Lines	IAM	Passenger Service	Dismissal
Delta Air Lines	IAM	Stock and Stores	Dismissal
ExpressJet Airlines	IBT	Stock and Stores	Certification
JetBlue Airways	ALPA	Pilots	Dismissal
NetJets Serv.	IBT	Flight Dispatchers	Certification
OpenSkies	IAM	Flight Attendants	Certification
Piedmont Airlines	CWA	Fleet & Passenger Service	Certification
Regional Elite Airline Serv.	USW	Fleet & Passenger Service	FUI-Dismissal
Republic Airlines, et al.	IBT, et al.	Pilots	Certification
Ryan International Airlines	IBT	Mechanics and Related	Dismissal
Sky King Airlines	IBT	Pilots	Dismissal
Southwest Airlines	AMFA	Maintenance Controllers	FUI-Dismissal
United Air Lines/ Continental Airlines	IFPTE	Engineers and Related	Dismissed-WDI
United Air Lines/ Continental Airlines	IAM-IBT	Fleet Service	Certification
United Air Lines/ Continental Airlines	AFA-IAM	Flight Attendants	Certification
United Air Lines/ Continental Airlines	IAM	Stock Clerks	FUI-Certification
Vision Airlines	UTU	Pilots	Dismissal-WDI

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& TABLES**

CASE RECORDS

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Case Records

3D: Railroad Representation Cases Closed

Carrier	Union	Craft/Class	Disposition
Chicago, Ft. Wayne & Eastern RR	BRS	Signalmen	Certification
Conecuh Valley RR, Three Notch RR, and, Wiregrass Central RR	UTU	Train and Engine Service	Certification
Georgia and Florida Ry.	UTU	Maintenance of Way	Certification
Illinois Central RR	BCW	Electrical Workers	FUI-Dismisal
Indiana RR	TCIU	Mechanical Department	Certification
Indiana Southern RR	IAM-UAW	Non-Operating Employees	Certification
Industrial Ry. Switching & Services	UTU	Train and Engine Service	Dismissal-WDI
Long Island RR	NTSA	Facilities & Staff Managers	Dismissal-WDI
Madison Terminal Ry.	BRS	Signalmen	Certification
Meridian and Bigbee RR	BMWE	Maintenance of Way	Dismissal
New Orleans & Gulf Coast Rr.	UTU-BLET	Train and Engine Service	Dismissal-WDI
Otter Tail Valley RR	UTU-BLET	Train and Engine Service	Certification
Raritan Central Ry.	UTU	Train and Engine Service	Dismissal
South Buffalo Ry.	UTU	Yardmasters	Dismissal
Western RR	UTU	Carmen	Administratively Closed
Western RR	UTU	Operating/Non-Operating	Certification
Western RR	UTU	Train and Engine Service	Administratively Closed

Glossary

These definitions are provided for general understanding only. They do not provide definitive definition regarding any matter before the Board and are not to be construed as legal definitions that may be cited in any administrative, legal or arbitral proceeding.

Act The Railway Labor Act

Agency The National Mediation Board

Alternative Dispute Resolution (ADR)

ADR is a process for resolving disputes outside of the judicial system of law. In the venue of the NMB, ADR is the facilitation of interest-based or mutual-interest negotiations and grievance mediation.

Amendable Contract Under the Railway Labor Act, collective bargaining agreements become subject-to-change on a specified date, rather than expiring as agreements do under the National Labor Relations Act.

Annual Report NMB's Annual Performance and Accountability Report

Arbitration A type of dispute resolution process where an arbitrator renders a decision, which usually can be appealed judicially only on a very narrow basis such as fraud

Arbitration Forum A committee formed of officials of railroads, rail unions, arbitrators and the NMB for the purpose of improving the processing of railroad employee grievances

Board May be one of the following, depending upon the context in which it appears:

- National Mediation Board (NMB)
- Presidential Emergency Board (PEB)
- National Railroad Adjustment Board (NRAB)
- Special Board of Adjustment (SBA)
- Public Law Board (PLB)
- System Board of Adjustment (SBA)

Carrier An airline or railroad as defined by sections 151 and 181 of the Railway Labor Act.

CFO Act Chief Financial Officer's Act

Class I A category of the largest U.S. railroads as defined by the Surface Transportation Board

Collective Bargaining Agreement A labor contract between a union and a carrier

Cooling Off Period A 30-day period of time preceding the right of parties to a collection bargaining dispute to engage in "self help" under the RLA

Craft or Class A group of employees deemed by the NMB to share a community of work and interest for the purpose of collective bargaining under the RLA

Direct Negotiations Negotiations between the parties to a collective bargaining dispute before or apart from NMB mediation

Dunlop II Committee An independent review committee comprised of carrier and union experts formed at the request of the NMB in FY 2009 to examine the internal functions, policies and procedures of the agency and the progress of the agency subsequent to the recommendations of the Dunlop Commission of the 1990s.

E-book A book available via the Internet such as NMB's Annual Performance and Accountability Report

E-business The conduct of business on the Internet

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E-filing An electronic method for submitting documents

Facilitation A process where a neutral helps the parties in a collective bargaining or grievance dispute use ADR problem-solving methods such as interest-based bargaining or grievance mediation

Facilitated Problem Solving This approach to bargaining utilizes a process of problem identification and discussion to reach resolution of issues rather than an exchange of proposals.

Grievances Complaints of employees or unions arising out of the application or interpretation of collective bargaining agreements

Grievance Arbitration A method of resolving grievances whereby an arbitrator determines the outcome

Grievance Mediation In the venue of the NMB, using mediation as an alternative to arbitration for resolving grievances

Impasse In mediation under the RLA, an impasse is when the NMB determines that further mediation will not resolve a collective bargaining dispute.

Interest Arbitration A process, under the RLA, to establish the terms of a new or modified collective bargaining agreement through arbitration, rather than through negotiations.

Interest Based Negotiation A type of negotiations where the parties collaboratively focus on finding solutions to underlying needs or concerns of each party (i.e., the whys) instead of adversatively negotiating specific positions

Internet Voting A web-based balloting option that supplements telephone electronic voting in representation elections

Laboratory Conditions Conditions to a representation dispute which ensure the independence of labor and management for the purpose of self-organization and the right of employees to freely determine whether they wish to be represented, or not, for the purpose of collective bargaining

Legacy Carriers A term applied to traditional major, hub-based airlines versus regional or point-to-point carriers

Major Disputes Disputes between management and a union pertaining to collective bargaining as opposed to grievance disputes known as Minor Disputes

Mediation A type of dispute resolution process where a neutral (i.e., a mediator) facilitates agreement between the parties to a collective bargaining dispute, vis-a-vis imposing a settlement on the parties via arbitration

Minor Disputes Grievances of employees or unions arising out of the application or interpretation of collective bargaining agreements as opposed to collective bargaining disputes known as Major Disputes

National Handling Mediation of a collective bargaining dispute where management of several railroads have chosen to negotiate collectively on a national basis

National Labor Relations Act (NLRA) Grants most private sector workers the right to organize and bargain collectively. Air and rail employees, however, are covered by the Railway Labor Act (RLA) rather than the NLRA.

National Railroad Adjustment Board One of three types of tribunals under the RLA for resolving railroad grievances (also see Special Boards of Adjustment and Public Law Boards). NRAB cases are resolved by the carrier and union members with or without a neutral.

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NMB Lyceum The NMB's open-resource, distance-learning website established to provide NMB staff, labor relations practitioners and the public with training programs relevant to the National Mediation Board and the Railway Labor Act.

Ombudsman An official of the NMB that receives and addresses problems or complaints of employees or contractors regarding actions of agency managers or staff

Online Arbitration An Arbitration forum and a form of Online Dispute Resolution where hearings are held in virtual, web-based meeting rooms with live video

Online Dispute Resolution The application of Internet or web-based technology to resolving disputes

Open Government Directive President Obama's Directive of December 8, 2009, requiring Federal executive departments and agencies to take specific actions to implement the principles of Transparency, Participation, and Collaboration.

Presidential Emergency Board A Board established under the Railway Labor Act by the U.S. President to investigate and report on an airline or railroad labor dispute

Proffer of Arbitration The step in the process of resolving collective bargaining disputes under the RLA, which follows a determination of impasse by the NMB, whereby the NMB offers binding arbitration to the parties as a method for resolving the dispute

Public Interest Meetings Under the RLA, the NMB can intervene in an active collective bargaining dispute at any time in the interest of the general public. Usually, one or both parties to a dispute requests the mediation services of the NMB.

Public Law Boards (PLB) One of three types of tribunals under the RLA for resolving railroad grievances (also see National Railroad Adjustment Board and Special Boards of Adjustment)

Railway Labor Act (RLA) A federal law that grants interstate airline and railroad employees the right to organize and bargain collectively. Other private industry employees are covered by the National Labor Relations Act (NLRA).

Representation Dispute A situation on an airline or railroad where employees in a specific, carrier-wide workgroup seek to organize for the purpose of collectively bargaining with their employer regarding matters of wages, benefits and working conditions

Section 3 Section 153 of the RLA pertaining to the National Railroad Adjustment Board

Section 3 Committee A group of representatives from freight, regional and commuter railroads and representatives of major rail unions, whose goal is the improvement of resolution of grievances

Section 6 Section 156 of the RLA pertaining to the changing of wages, rules, hours and working conditions

Section 7 Section 157 of the RLA pertaining to Arbitration

Section 9a Section 159A of the RLA pertaining to Presidential Emergency Boards for certain publicly-funded and operated commuter railroads

Section 10 Section 160 of the RLA pertaining to Presidential Emergency Boards for airlines and railroads other than those covered by Section 9a

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Self Help The right of a party to a collective bargaining dispute to unilaterally act in its own best interest. A carrier, for example, may lock disputing employees out of the workplace or implement changes in pay, rules and working conditions; and the union, for example, may work specifically as required by its collective bargaining agreement or strike

Showing-of-Interest In a representation dispute, employees in a Craft or Class must indicate an interest in being represented for the purpose of collective bargaining by signing authorization cards which are submitted to the NMB by the representative/s of their choosing.

Special Boards of Adjustment (SBA)

One of three types of tribunals under the RLA for resolving railroad grievances (also see National Railroad Adjustment Board and Public Law Boards)

Status Quo Situations under the RLA in either collective bargaining or representation disputes where existing pay rates, rules and working conditions cannot be changed unilaterally, pending the resolution of the dispute in question.

Strike A work stoppage action initiated by a union

System Boards of Adjustment (SBA) An arbitration board pursuant to an agreement by the parties for resolving airline grievances.

System-wide Under the RLA, a craft or class applies anywhere an airline or railroad operates in the United States

Telephone Electronic Voting (TEV) A paperless balloting process using telephones instead of traditional paper ballots

Work Stoppage An interruption to the operations of an airline or railroad

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ACRONYMS

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Acronyms

AA	American Airlines
ABA	American Bar Association
ABX	Airborne Express
A-case	An NMB designation for a Mediation case
ACR	Association for Conflict Resolution
ADR	Alternative Dispute Resolution
ADRS	Alternative Dispute Resolution Services
AE	Airborne Express
AFA	Association of Flight Attendants
AFGE	American Federation of Government Employees
AFL-CIO	American Federation of Labor and Congress of Industrial Organizations
AFSCME	American Federation of State, County and Municipal Employees
AIRCON	Airline Industrial Relations Conference
ALI-ABA	American Law Institute-American Bar Association
ALPA	Air Line Pilots Association
ALRA	Association of Labor Relations Agencies
AMTRAK	National Railroad Passenger Corporation (NRPC)
APA	Allied Pilots Association
ARASA	American Railway and Airway Supervisors Association
ARB	Arbitration
ATDA	American Train Dispatchers Association
ATDD	American Train Dispatchers Department (BLET)
AWS	Alternative Work Schedule
BCW	Brotherhood of Communication Workers
BLET	Brotherhood of Locomotive Engineers and Trainmen
BMWE	Brotherhood of Maintenance of Way Employees
BMWED	Brotherhood of Maintenance of Way Employees Division
BNSF	Burlington Northern and Santa Fe
BRC	Brotherhood of Railway Carmen
BRS	Brotherhood of Railroad Signalmen
CA	Confidential Assistant
CBA	Collective Bargaining Agreement
CFO	Chief Financial Officer
CIO	Chief Information Officer
CLE	Continuing Legal Education
CMI	Continental Micronesia
COOP	Continuity of Operations Plan
COS	Chief of Staff
CR	Conrail
CRL	Chicago Rail Link
CSRS	Civil Service Retirement System
CSX/CSXT	CSX Transportation, Inc.
CWA	Communication Workers of America
DC	District of Columbia
DQ&E	De Queen & Eastern Railroad
EFT	Electronic Funds Transfer
EO	Executive Order
F-case	An ADR designation for Facilitation cases (F and F-ODR)
F&O	Firemen & Oilers
FAA	Federal Aviation Association
FAPA	Frontier Airline Pilots Association
FAR	Federal Acquisition Regulation

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ACRONYMS

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FERS	Federal Employment Management System
FFMIA	Federal Financial Management Improvement Act
FISMA	Federal Information Security Management Act
FLRA	Federal Labor Relations Authority
FMFIA	Federal Managers' Financial Integrity Act of 1982
FOIA	Freedom of Information Act
FPS	Facilitative Problem Solving
FUI	Findings Upon Investigation
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GAO	Government Accountability Office
GC	General Counsel
GLOWS	Accounting System Used by NMB
GM	Grievance Mediation
GM-case	An ADR designation for Grievance Mediation cases (GM and GM-ODR)
GPRA	Government Performance and Results Act
GSA	General Services Administration
GWR	Great Western Railway of Colorado
HERE	Hotel Employees and Restaurant Employees International Union
IAM	International Association of Machinists & Aerospace Workers
IAMAW	International Association of Machinists & Aerospace Workers
IBB	Interest Based Bargaining
IBB	International Brotherhood of Boilermakers
IBEW	International Brotherhood of Electrical Workers
IBT	International Brotherhood of Teamsters
ICT	Information and Communication Technology
IFPTE	International Federation of Professional & Technical Engineers
IHB	Indiana Harbor Belt
IT	Information Technology
JCC	Joint Council of Carmen
JD	Juris Doctor (Doctor of Law)
MBCR	Massachusetts Bay Commuter Railroad
MD	Maryland
MI	Michigan
MWA	Midwest Airlines
NA	Not Applicable
NARA	National Archives and Records Administration
NARR	National Association of Railroad Referees [arbitrators]
NCFO	National Conference of Firemen and Oilers
NJASAP	NetJets Association of Shared Aircraft Pilots
NJT	New Jersey Transit
NLRA	National Labor Relations Act
NLRB	National Labor Relations Board
NMB	National Mediation Board
NRAB	National Railroad Adjustment Board
NRLC	National Railway Labor Conference
NRPC	National Railroad Passenger Corporation (AMTRAK)
NS	Norfolk Southern
NTSA	National Transportation Supervisors Association
OA	Office of Administration
OAS	Office of Arbitration Services
ODR	Online Dispute Resolution
OLA	Office of Legal Affairs
OMAS	Office of Mediation and ADR Services
OMB	Office of Management and Budget

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ACRONYMS

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OP	Outreach and Promotion
OP-case	An ADR designation for Outreach OP and OP-ODR cases
OPEIU	Office and Professional Employees International Union
OPM	Office of Personnel Management
OVC	Online Video Conferencing
PAFCA	Professional Airline Flight Control Association
PAR	Pan Am Railways
PEB	Presidential Emergency Board
PGR	Progressive Rail
PLB	Public Law Board
POA&M	Plans of Action and Milestones
PSA	PSA Airlines
PTRA	Port Terminal Railroad Association
R-case	An NMB designation for a Representation case
RA	Republic Airlines
RAH	Republic Airlines Holdings
RDM	Records and Document Management
RIM	Records and Information Management
RLA	Railway Labor Act
RLBC	Rail Labor Bargaining Coalition
RR	Railroad
SBA	Special Board of Adjustment or System Board of Adjustment
SFFAC	Statements of Federal Financial Accounting Concepts
SIU	Seafarers International Union of North America
SMWIA	Sheet Metal Workers International Union
SOP	Standard Operating Procedures
SSOBA	Special & Superior Officers Benevolent Association
SWA	Southwest Airlines
SWAPA	Southwest Airlines Pilots Association
T-case	An ADR designation for Training cases (T and T-ODR)
TCU/TCIU	Transportation Communications International Union
TEV	Telephone Electronic Voting
TWA	Trans World Airlines
TWU	Transport Workers Union of America
UAL	United Air Lines
UCH	United Continental Holdings
UP	Union Pacific Railroad
UPS	United Parcel Service
USA	United States of America
USA	United Steelworkers of America
USAPA	US Airline Pilots Association
USWA	United Steelworkers of America
UTU	United Transportation Union
WC	Wisconsin Central
WDI	Withdrawn During Investigation
YDM	Yardmasters



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