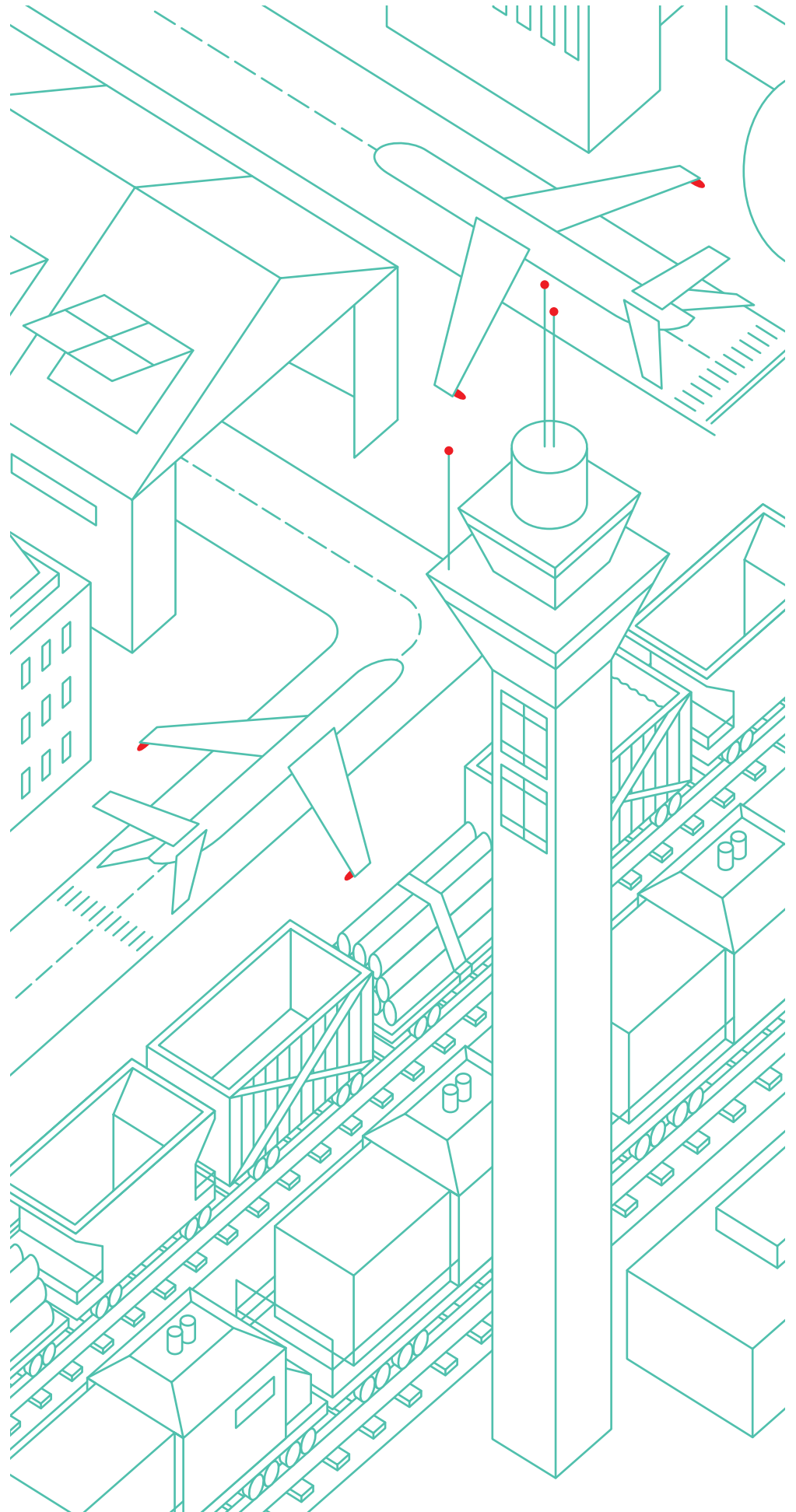


NATIONAL MEDIATION BOARD

ANNUAL PERFORMANCE
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NATIONAL MEDIATION BOARD

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CHAIRMAN'S LETTER

NOVEMBER 14, 2012

The National Mediation Board (NMB) is an independent federal agency charged with 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, nominated by the President and confirmed by the Senate.

Much of the agency's Representation work during FY 2012 involved taking steps to implement amendments made to the Railway Labor Act by the Federal Aviation Administration Modernization and Reform Act of 2012. A public hearing was held in June, 2012, and comments were accepted until August 6, 2012. The Office of Representation Services continued to process investigations and elections in a timely manner, and provided legal assistance to President Obama's Presidential Emergency Board, noted below.

In the face of extraordinary circumstances, the Office of Mediation Services has continued to manage mediation and alternative dispute resolution cases well within the agency's performance targets. Complex merger and bankruptcy situations involving some of the nation's largest airlines have made work with the airlines challenging, and the railroads' national handling of collective bargaining offered another challenge. In cases involving the five largest U.S. railroads and numerous short-line and regional railroads, President Obama named a Presidential Emergency Board, the actions of which led to agreements, avoiding critical and widespread railroad-service interruptions. All of these challenges notwithstanding, the NMB Mediation staff closed 46 cases in FY 2012, the highest number since FY 2007.

The agency's Arbitration department continued to implement processes and technologies aimed at reducing the number of aged cases. In this regard Grievance Mediation was actively promoted and successfully utilized as an alternative to arbitration. FY 2012 saw the full implementation of the online Arbitrator Workspace, creating an easy-to-access portal for the arbitrators and the parties, and bringing the NMB into compliance with GAO determinations regarding arbitration case management. Arbitration cases pending at the end of FY 2012 were the fewest in NMB history.

During FY 2012, key and on-going areas of administrative improvement included NMB hiring and new-hire verification procedures; moving the agency's information-technology operations to Internet-based facilities; and moving to a newer and more robust budget and accounting system.

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.



HARRY R. HOGLANDER
Chairman

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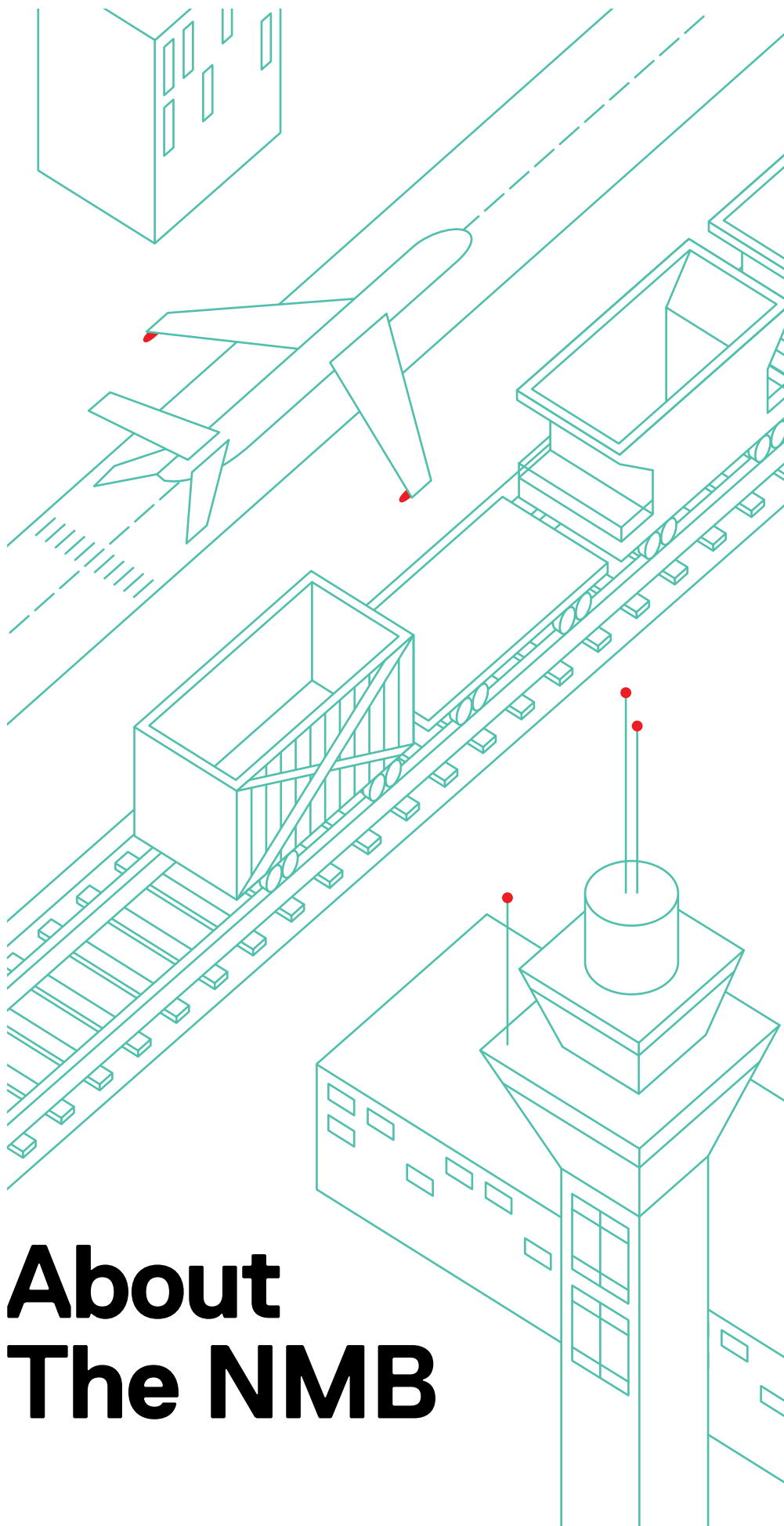
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About The NMB

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 nominated 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:

- 01 The resolution of disputes arising out of the negotiation of new or revised collective bargaining agreements;
- 02 The effectuation of employee rights of self-organization where a representation dispute exists; and
- 03 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

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.

NOTE A complete list of acronyms is given at the back of this Annual Report.

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NMB STRUCTURE

ABOUT THE NMB

MEMBERS OF THE BOARD

Harry Hoglander ^I CHAIRMAN	Linda Puchala ^{II} MEMBER	Elizabeth Dougherty ^{III} MEMBER
Robin Stein CA TO CHAIRMAN HOGLANDER	Libby Angelopoulos CA TO MEMBER PUCHALA	Layton Griffin ^{IV} CA TO MEMBER DOUGHERTY

CHIEF OF STAFF

Daniel Rainey
CHIEF OF STAFF

Samantha Williams
SPECIAL ASSISTANT TO COS

Donald West
PUBLIC INFORMATION OFFICER

Charles Montague
SUPERVISORY PROGRAM ANALYST

Dean Wagner
PROGRAM ANALYST

Interns^V

GENERAL COUNSEL

Mary Johnson
GENERAL COUNSEL

OFFICE OF ARBITRATION SERVICES

Roland Watkins
DIRECTOR

**SUPERVISORY
ARBITRATION
SPECIALIST**
Carol Conrad

**PARALEGAL
SPECIALIST**
Darrell Dancer

**PROGRAM
MANAGEMENT
SPECIALIST (ARB)**
Tia Little

**PROGRAM
MANAGEMENT
ASSISTANTS (ARB)**
Kimberly McCann
Linda Gathings

OFFICE OF MEDIATION AND ADR SERVICES

Larry Gibbons
DIRECTOR

**SENIOR
MEDIATORS**
Pat Sims
Terri Brown

**SENIOR MEDIATOR
(ADR)**
Denise Hedges

MEDIATORS
Jack Kane
John Livingood
Anthony Tosi
Gerry McGuckin
James Mackenzie
Victoria Gray
C. Anthony Iannone^{VI}
Michael Kelliher
Walter Darr
Andrew Nordgren

MEDIATOR (ADR)
LoValerie Mullins

**PROGRAM
ANALYST**
April Dawson

**MEDIATION
PROGRAM
SPECIALIST**
Karen Burton

OFFICE OF ADMINISTRATION

June D.W. King
DIRECTOR

**SUPERVISORY
ADMIN & MGT.
SPECIALIST**
Michael Alston^{VII}

**PROGRAM &
MANAGEMENT
ANALYST**
Denise Murdock

**BUDGET &
FINANCIAL
ANALYST**
Eric Johnson^{VIII}

**SUPPORT SERVICE
SPECIALISTS**
Bruce Conward, Jr.
Terran Walker

RECEPTIONIST
Florine Kellogg

OFFICE OF LEGAL AFFAIRS

Kate Dowling
ASSOCIATE GC

COUNSEL
Norman Graber
Eileen Hennessey
Susanna Parker
Cristina Bonaca
Angela Heverling

**PROGRAM
SUPPORT
SPECIALISTS**
Nikisha McKinney^{IX}
Tonya Kirksey
Elijah Crayton

^I Became Chairman on July 1, 2012.

^{II} Served as Chairman in this fiscal year through June 30, 2012.

^{III} Left agency on June 2, 2012; position vacant.

^{IV} Left the agency on June 2, 2012; position vacant.

^V Katherine Whitson, Lalana Gunaratne.

^{VI} Left the agency on January 31, 2012; position vacant.

^{VII} Joined NMB on January 1, 2012; replaced Amandeus Watkins.

^{VIII} Joined NMB on September 23, 2012; replaced Stephen Thomas.

^{IX} Joined NMB on August 26, 2012; replaced Timothy Sweeney.

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BOARD MEMBERS

HARRY HOGLANDER
Chairman



Chairman Hoglander was first confirmed as member of the NMB by the United States Senate on August 1, 2002, reconfirmed for a second term on December 8, 2006, and a third term on July 24, 2009. He has been named four times as Chairman of the Board, most recently from July 1, 2012 through June 30, 2013.

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.

Chairman 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.

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

LINDA PUCHALA
Member



Nominated by President Barack Obama, Ms. Linda A. Puchala 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. She most recently served as Chairman from July 1, 2011 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 the 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 and Jessica Puchala.

NATIONAL MEDIATION BOARD

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ELIZABETH DOUGHERTY
Member

ABOUT THE NMB

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Ms. Elizabeth Dougherty, resigned from the agency on June 2, 2012. She had been a Member of the National Mediation Board (NMB) since December 13, 2006, and 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 had 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.

NATIONAL MEDIATION BOARD

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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.

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.

DIRECTORS

ROLAND WATKINS

Director, Office of
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 Arbitration Services, 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.

LARRY GIBBONS

Director, Office of 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 ADR Services 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.

NATIONAL MEDIATION BOARD

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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 Director OA, 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 Executive Committee. She is a member of all the small agency councils in all the areas within overall responsibility.

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

NATIONAL MEDIATION BOARD

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REGISTRY OF BOARD MEMBERS

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NAME	START DATE	STATUS	END DATE
Linda A. Puchala	05-26-09	Active ¹	—
Elizabeth Dougherty	12-13-06	Resigned ²	06-02-12
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

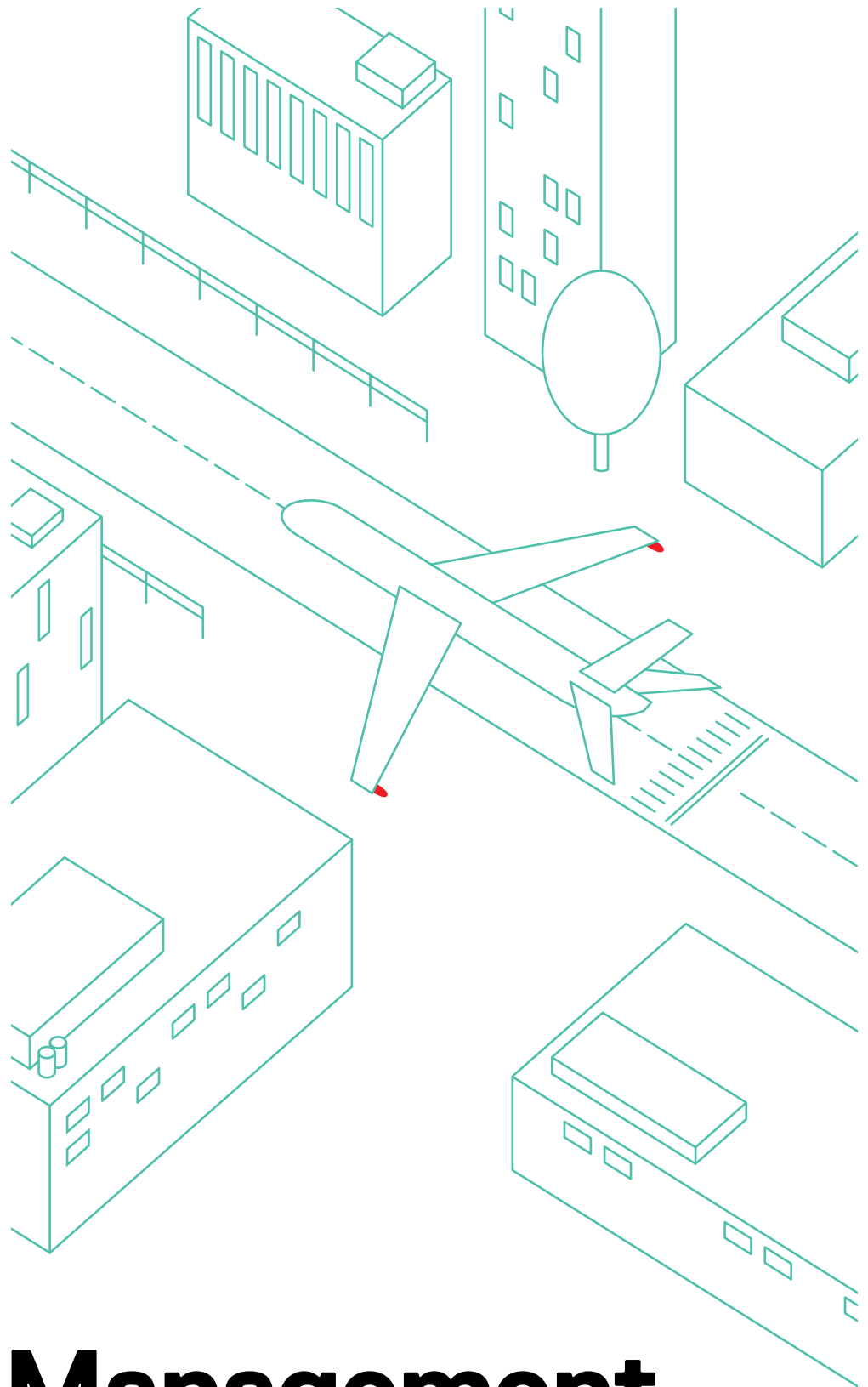
¹ Term expired July 1, 2012.

² Term expired July 1, 2010.

³ Term expired July 1, 2011.

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CHIEF OF STAFF LETTER

NOVEMBER 14, 2012

During Fiscal Year 2012, the National Mediation Board entered its 78th year as the agency responsible for promoting harmonious relationships among management and labor organizations in the airline and railroad industries in America. That task remains as challenging as ever, but there were a number of very positive developments during FY 2012 that mark our progress as an agency.

The Office of Mediation and ADR Services leadership and staff have continued to pursue innovative approaches to mediation and facilitation with the parties, and they have navigated potentially stormy weather—PEB's, mergers, and bankruptcies—with skill and aplomb.

The Office of Arbitration Services has implemented a number of new accounting and work flow processes that address Government Accounting Office best practices, and place Section 3 on its most sound business footing ever in the history of the NMB. Full implementation of the online Arbitrator Workspace has allowed for accurate tracking of cases and increased efficiency. The “cases pending” figure in Arbitration for the end of FY 2012 is a fraction of the same figure just a few years ago and a new low in the history of the NMB.

In FY 2012, the NMB was able to solidify partnerships with two institutions of higher education—Cornell's Industrial and Labor Relations School, and Dominican University's Graduate Program in Dispute Resolution. Agreements with both institutions give NMB staff access to superior education and training opportunities at little or no cost to the agency, enhancing the capability of the NMB to help educate future labor relations specialists and dispute resolvers.

As FY 2012 came to a close, the NMB was on the verge of moving its information and communication technology completely into the cloud, with a considerable cost savings for the agency, and with considerably more access to information for all NMB staff, regardless of where they are working. In this regard, the NMB remains a government (and industry) leader.

In short, FY 2012 has been a good year in many ways for the National Mediation Board. Challenges remain—but watch this space in the next Annual Report to see how we successfully handled them in FY 2013.



DANIEL RAINEY
Chief of Staff

NATIONAL MEDIATION BOARD

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MEDIATION AND ADR

LARRY GIBBONS,
Director



The Office of Mediation and ADR Services (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 of OMAS offers voluntary dispute resolution programs to the parties including facilitation, grievance mediation, training, and other dispute resolution efforts.

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 PEB section of this Annual Report.

MEDIATION HIGHLIGHTS

In FY 2012, while mediators continued to face difficult bargaining situations familiar from previous years, the merger of United Airlines and Continental Airlines and the bankruptcy of American Airlines provided more complex and challenging mediation circumstances. Settlements became more difficult as legacy air carriers continued to remake themselves through bankruptcies and mergers. Airline profits continued to be hard-earned but, profits of any size raise employee expectations at the bargaining table.

In national handling, where freight railroads bargain with unions as a group, the parties were unable to come to an agreement in the mediation process. This ultimately culminated in a release from mediation and in the establishment of a Presidential Emergency Board (PEB). The recommendations of the PEB became the basis for final settlements of all the cases.

Carriers and organizations, both air and rail, remained engaged in battles over higher wages and better benefits versus the ability to pay. Once again, mediation was increasingly important in assisting the parties to reach Collective Bargaining Agreements, and also more difficult, testing the skills of the mediator corps. Mediation cases docketed and closed in FY 2012 exceeded FY 2011 levels and the five-year docketed/closed averages.

EXPEDITED MEDIATION

—

The Board introduced Expedited Mediation as a trial program during FY 2011. The program allows, for cases that meet the necessary criteria, the assignment of mediatory resources for a short defined period of time for concentrated mediation in hopes of reaching a quick settlement. In Fiscal Year 2012, the Agency successfully used the test program with two groups, Hawaiian Airlines/Association of Flight Attendants (AFA) and United Airlines/AFA.

LEGACY CARRIERS

—

Mediation efforts with the Legacy Carriers continued to be complex and difficult, as noted above, due to the bankruptcy filing of American Airlines and the merger of United and Continental. Further complicating our efforts was an attempt by USAirways to merge with American Airlines. We were successful in assisting United in reaching agreements with its Flight Attendants (represented by AFA) and its mechanics (represented by the International Brotherhood of Teamsters—IBT). Additionally, an agreement in principle was reached on a combined contract between the pilots of United and Continental. At Continental, agreements were also reached with the Mechanics represented by the IBT, and at USAirways with the mechanics represented by International Association of Machinists—IAM.

COOLING-OFF PERIODS

—

The five Class I Railroads and thirty-two Short Line and Regional Railroads represented by the National Carrier's Conference Committee (NCCC) and eleven of their Unions were released from mediation in late FY 2011. Self-help was available in early FY 2012; however, President Obama named a Presidential Emergency Board, the actions of which helped lead to agreements in all cases.

SELF-HELP ACTIVITY

—

There was no self-help activity in FY 2012.

SETTLEMENTS

Several significant cases were settled in FY 2012 with assistance from NMB mediators, including: Omni Air/IBT, Air Wisconsin/IAM, PSA/AFA, CommutAir/Air Line Pilots Association (ALPA), and Southwest/Transport Workers Union (TWU). Significant rail cases that closed besides National Handling include: Still Water Central/United Transportation Union (UTU), Progressive Rail/UTU, Illinois Central/Brotherhood of Railroad Signalmen (BRS), Panhandle Northern Railroad/Brotherhood of Locomotive Engineers and Trainmen (BLET) and Wisconsin Central/BRS.

PENDING CASES

Significant resources will continue to be devoted to open cases at the legacy airline carriers, which account for a significant portion of all cases in mediation. Concessions, bankruptcies, and mergers continue to solidify employee expectations of restoration or partial recovery of wages and benefits. Other airline cases in mediation include PSA/ALPA, Piedmont/ALPA & AFA, Spirit/AFA, Express Jet/IAM & IBT & TWU, Sun Country/ALPA & IBT and American Eagle/TWU (currently in bankruptcy).

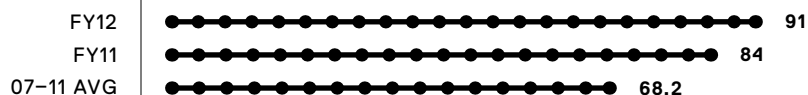
On the rail side, the Commuter Railroads are entering another round of bargaining. Currently 30 percent of the open mediation cases involve Southeastern Pennsylvania Transportation Authority (SEPTA), Long Island Railroad and Metro North Railroad. AMTRAK is also in mediation with the UTU and the Passenger Rail Labor Bargaining Coalition (PRLBC—a coalition of several unions). Additionally, several Regional and Short Line Railroads are in mediation, including PAR/BLET, Illinois Central/UTU, Transportation Communications International Union (TCU) & Brotherhood of Maintenance of Way Employees (BMWED), Grand Trunk Western/BMWED & TCU, and the Ohio Central Locomotive Roster (OHCR)/BLET.

NATIONAL MEDIATION BOARD

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MEDIATION CASES

START-PENDING



NEW



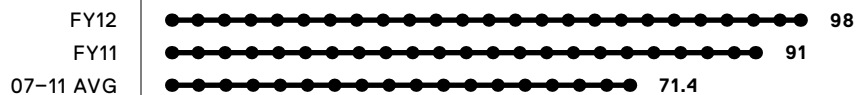
SUM



CLOSED



END-PENDING



ADR 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.

ADR HIGHLIGHTS

Alternative Dispute Resolution Services (ADRS) continued to develop and deliver a wide range of services, including training (T cases), facilitation (F cases), grievance mediation (GM cases), facilitated problem solving (FPS) and Online Dispute Resolution (ODR).

During FY 2012, ADR Services continued to offer special training programs and facilitation efforts outside of traditional grievance mediation and facilitation work. The promotion of the use of ODR tools and training has greatly increased demands for ADR 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.

ADR Services provided grievance mediation training and services that, again in FY 2012, aided in a reduction of the number of cases going to arbitration or the bargaining table. Partnering with the Office of Arbitration Services, ADR staff offered expedited Grievance Mediation and Arbitration processes designed to increase the use of online technology and move cases through the system quickly.

Also in FY 2012, NMB's online learning program, the Lyceum, was further developed and enhanced 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. In collaboration with the Air Line Pilots Association, ADR staff produced a new Grievance Mediation video that shows a simulation of a grievance mediation session and provides training to all viewers on the NMB ADR process. The video will soon be accessible on the NMB Lyceum and accessible from the NMB website at www.nmb.gov.

TRAINING

During FY 2012 ADR staff continued to refine and update standard training offered by the NMB, including Grievance Mediation, Facilitated Problem Solving and specialized training tailored to the parties' needs, such as Team Building and System Boards of Adjustment. In addition, special training in expedited mediation/arbitration processes was requested by the parties and delivered by NMB Mediation/ADR staff.

GM FACILITATION AND NEGOTIATION

During FY 2012, the Mediation/ADR staff engaged in direct delivery of dispute resolution services as facilitators in Grievance Mediation, Interest-based Contract Negotiations, and as trainers in a variety of other programs.

A special effort was made to merge grievance mediation with expedited arbitration. Successful GM/expedited projects are ongoing at Wisconsin Central with the BLET, Union Pacific with the BLET, and Amtrak with the UTU and BLET. These cases help to reduce the number of grievances that would normally go to Arbitration.

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 2012, 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/American Train Dispatchers Association (ATDA), CSXT/UTU, World/IBT, Omni Air/IBT, and Air Wisconsin/IAMAW.

ONLINE ARBITRATION

The NMB continued to develop and use its web-based video and document sharing capabilities. Virtually all executive sessions during FY 2012 for the NRAB were held using ODR technology.

PARTNERSHIPS

In partnership with Dominican University and Cornell University, the ADR staff designed and delivered a number of trainings and presentations that provided quality training and complemented the employees/students career development. The partnerships have successfully created a shared value for all participants by making high quality training available to NMB employees at no charge to the agency.

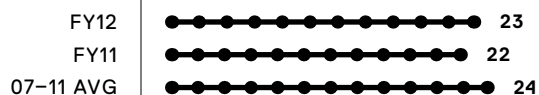
In addition to training programs, these partnerships have provided analyses, evaluations and feedback to assist the NMB in strengthening grievance mediation promotion to railroads and their respective unions. Finally, the partnership arrangements have enhanced the NMB's internship Program.

NATIONAL MEDIATION BOARD

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ADR CASES

START-PENDING



NEW



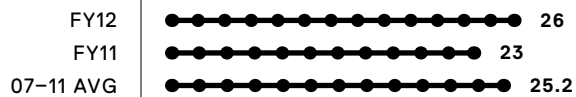
SUM



CLOSED



END-PENDING



ARBITRATION

ROLAND WATKINS,
Director

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B

The Office of Arbitration Services manages 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 in the airline and railroad industries.

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.

ARBITRATION HIGHLIGHTS

The Office of Arbitration Services 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 2012 by targeting the backlog of grievance arbitration cases for resolution, increasing the number of arbitrators available to hear and decide cases and introducing more technology to the administrative processing of cases with its arbitrators. Grievance Mediation was also actively promoted and successfully utilized as an alternative to arbitration. The 2,084 cases pending at the end of FY 2012 is the lowest in NMB history: 300 less cases than last year.

The NMB Arbitration program increased its efforts to modernize the processing of minor disputes. 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. In January 2012, the NMB additionally introduced Arbitrators Workspace. The Arbitrators Workspace is a web based information system which gives each arbitrator online access to their case information. This system is used by the arbitrators to request work and submit requests for compensation for work. The Arbitrators Workspace replaced numerous hard-copy forms. The use of online dispute resolution was also successfully promoted at the National Railroad Adjustment Board (NRAB).

The level of grievance activity handled through the NMB Arbitration program decreased as compared to the activity in FY 2011. During FY 2012, the parties brought 3,569 cases to arbitration compared to 3,908 cases in FY 2011. In FY 2012, 3,869 cases were closed compared to 4,294 in FY 2011, leaving only 2,084 cases pending at the end of FY 2012. This decrease is partly attributable to the successful use of grievance mediation as an alternative means for resolving grievances.

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, Burlington Northern Santa Fe, Kansas City Southern Railway and CSX Transportation. The Office of Arbitration Services met with all labor organizations representing employees in the railroad industry. NMB efforts have been directed to facilitating a more efficient Section 3 process under the Railway Labor Act (RLA), thereby reducing the backlog of cases and furthering the RLA objective of prompt resolution of minor disputes.

The NMB continued its efforts designed to improve the arbitration of grievances under Section 3 of the Railway Labor Act. The Board had five goals for this transformation: (1) to ensure that the parties receive timely and outstanding arbitration services from the Board's staff and contract arbitrators; (2) to ensure the use of 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 March 2012, the NMB conducted an intensive audit of all cases pending before the NRAB. The results of the audit allowed the NMB to update the status of its cases pending before the NRAB.

In June 2012, 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 feedback from the audit enhanced the accuracy of the NMB case management system.

GRIEVANCE MEDIATION

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 2012, Arbitration Services made presentations at a meeting of the Class I freight railroads, the United Transportation Union, the IAM&AW and the Sheet Metal Workers International promoting grievance mediation as a means of resolving disputes. The NMB anticipates continuing this initiative during FY 2013.

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. Approximately 93% of all decisions are rendered within six months of the hearing. During FY 2013, the NMB will require that arbitrators render decisions within three months of a hearing.

AGENCY TRANSPARENCY

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 the website to obtain information and forms instantaneously. The agency developed an Arbitrators Caseload Report and posted a link to the Report on the NMB website. The report shows by arbitrator, grievance cases of railroad employees the parties have chosen to pursue. It also indicates whether a case is late (i.e., a decision has not been rendered within 6 months of when a case was heard by the arbitrator). The Arbitrators Caseload Report is real-time in that it has a direct link to an NMB database reflecting updates as they are made by Arbitration Services staff. The availability of information on the website reduces the staff time which ordinarily would be required to respond to questions and requests. The NMB has also placed an NMB 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 on the NMB website (www.nmb.gov).

AGE OF CASES

In March 2012, the Board commenced a review of all open cases on Public Law Boards (PLBs) and Special Boards of Adjustment (SBAs) which were three years and older. In previous years, the NMB reviewed cases 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 these 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 three years.

The Board also contacted the NRAB to obtain the status of their cases over three years. This project is ongoing and will lead to a reduction of the old cases at the NRAB in fiscal year 2013.

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.

BACKLOG OF CASES

The National Mediation Board used an increase in Section 3 funding to further reduce the backlog of cases. The NMB defines the administrative backlog as all cases over two years. At the end of FY 2012, 80% of the pending cases were less than two years.

USE OF TECHNOLOGY

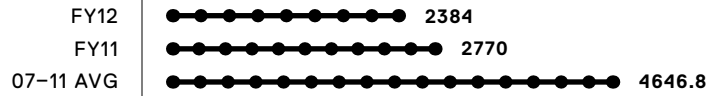
The NMB further expanded its use of technology at the NRAB. All NRAB awards are entered into the Knowledge Store at the same time that they are distributed to the parties. Parties have been trained to and now enter awards into the Knowledge Store. In some instances, valid awards are entered within 24 hours of completion.

NATIONAL MEDIATION BOARD

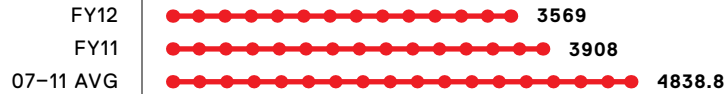
ANNUAL PERFORMANCE AND ACCOUNTABILITY REPORT FY2012

ARBITRATION CASES

START-PENDING



NEW



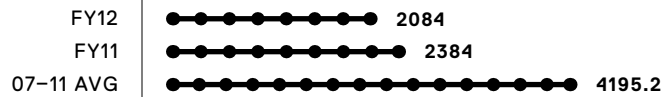
SUM



CLOSED



END-PENDING



NATIONAL MEDIATION BOARD

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MANAGEMENT
DISCUSSION &
ANALYSIS

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ADMINISTRATION

JUNE D.W. KING,
Director

The Office of Administration facilitates NMB achievement of internal strategic goals and government-wide initiatives.

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NOTE A complete list of acronyms is given at the back of this Annual Report.

ADMINISTRATION OVERVIEW

ADMINISTRATION HIGHLIGHTS

HUMAN CAPITAL

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.

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 2012 results will be used to make improvements in the human resources arena.

As the NMB moves to take advantage of online services in the personnel arena, the agency is becoming more efficient and effective, the results of which can be seen in the agency the hiring process. For internal posting, the NMB hires an employee within 30 days. In the cases of delegated examining positions, the NMB continues to show movement toward the 80 day standard.

The NMB continues to use the E-verify system to ensure that all new appointees are eligible to work. In addition, three individual surveys are conducted for all new hires to assess their work experience. The results 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 be reviewing options for its information technology equipment while moving toward cloud computing. The NMB is in the process of implementing various aspects of "cloud" computing to better utilize its resources. During our movement to the cloud, the NMB Corporate Memory and Knowledge Store will also be moved to a cloud platform consistent with government requirements.

CONTINUITY OF OPERATIONS

The NMB participated in the Eagle Horizon 2012 National Level Exercise which included a cyber-security incident. The exercise tested our ability to perform essential functions during a security incident. This test also allowed us to verify some aspects of our cloud computing. Participation in Eagle Horizon 2012 demonstrated that the cloud computing initiatives currently in the testing phase are more than adequate to meet the needs of the agency in an emergency situation. Once fully tested, the COOP plan will be updated.

FINANCIAL PERFORMANCE

The NMB's accounting system, GLOWS, meets all 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. The NMB is entering an agreement with the Bureau of Public Debt (BPD) to improve our financial

reporting and processing by moving to a newer and more robust online platform, managed for the NMB under contract by BPD. This agreement will place at our finger tips, up-to-data financial information that can be used to make efficient financial decisions.

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 fifteenth 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 2012 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.

PROCUREMENT

As part of the small agency council, the NMB is working to ensure that its procurement functions meet all of the new requirements for procurement certification. The agreement with BPD provides an automatic system which will provide electronic processing of request to award.

TRAVEL

With seven (7) percent of the NMB budget attributable to travel, the agency continues to review opportunities to reduce costs. We are moving to the on-line travel agent under the GSA contract. This process reduces the per ticket cost which can reduce overall travel costs in the long run. This system will also provide an electronic process for authorization, vouchers, and reimbursement.

ELECTRONIC GOVERNMENT

The agency provides electronic access to all its policies. This allows our internal customers to have quick access to them. 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 internal NMB forms. Also the website and our online Knowledge Store provide current and historical information to the public and our external customers.

NMB CORPORATE MEMORY

In FY 2012, 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 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 collective bargaining contracts. During FY 2012, the NMB developed a new Knowledge Store interface that speeds recovery of documents and frees the data to reside in the new cloud environment being created by the agency.

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PERFORMANCE PLAN AND RESULTS (GPRA)

MANAGEMENT DISCUSSION & ANALYSIS

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GPRA

This report contains FY 2012 accomplishments of the National Mediation Board relating to goals and objectives for Mediation, Alternative Dispute Resolution, 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.

NOTE A complete list of acronyms is given at the back of this Annual Report.

PERFORMANCE AND GOALS

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/ADR

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 2012 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, and 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 2012 ACCOMPLISHMENT: We continued to fine tune the capabilities of and information tracked in the case management system. New specialty reports to help in workload planning and historical research were developed and used.

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

A. Use outreach and promotion efforts to raise the visibility of the ADR program. Continue to utilize partnerships with institutions of higher learning to improve and expand ADR Services.

FY 2012 ACCOMPLISHMENTS: 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 requiring 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. During FY2012, marketing students in the graduate school of Dominican University did an analysis of the NMB's grievance mediation program and presented plans for increasing the use of GM in the railroad sector. Those recommendations will be used in FY2013 to expand the use of GM.

B. Review ADR services for potential deletions, additions, or changes.

FY 2012 ACCOMPLISHMENTS: Each year ADR Services reviews its programs, assessing existing training and service delivery. The NMB expanded the Lyceum, an online learning resource that helps reduce travel costs for GM training. Working with Arbitration, ADR staff increased its promotion of expedited arbitration coupled with grievance mediation as an option for the parties.

STRATEGIC PLAN
GENERAL GOAL 2
Representation

IV

Pursue interagency projects, including personnel exchange programs, to enhance labor-management relations throughout the airline and railroad industries.

FY 2012 ACCOMPLISHMENTS: ADR Services continued to actively participate in the Interagency ADR Working Group to promote ADR in government. As a part of this effort, ADR Services provided training to other government agencies such as the Federal Maritime Commission.

V

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 2012 ACCOMPLISHMENTS: 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), the International Online Dispute Resolution Forum, and numerous other dispute resolution and legal organizations.

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 for OLA.

FY 2012 ACCOMPLISHMENT: OLA primarily accepts electronic 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.

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 2012 ACCOMPLISHMENT: OLA attorneys helped plan the agenda for the ABA Railroad and Airline Labor Law Section's Mid-winter meeting; planned and participated in the ABA's Labor and Employment Annual CLE Meeting; and contributed to a three day Continuing Legal Education seminar on the Railway Labor Act sponsored by ALI-CLE.

III

Implement and maintain concise, relevant reference materials and make them readily available to the public, thereby reducing the number of work-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 2012 ACCOMPLISHMENT: OLA attorneys completed working on the 3rd Edition of the authoritative treatise on Railway Labor Act Law published by the Bureau of National Affairs. OLA attorneys began work on a "pocket part" supplement updating the treatise.

STRATEGIC PLAN GENERAL GOAL 3

Arbitration

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 and ADR Services to identify potential disruptions which may lead to a Presidential Emergency Board.

FY 2012 ACCOMPLISHMENT: The Office of Legal Affairs continually coordinates with the Office of Mediation and ADR Services to evaluate potential disruptions in the industry. OLA attorneys served as counsel to PEB 243.

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 2012 ACCOMPLISHMENT: An audit was conducted of the NRAB administrative caseload processes, and 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 2012 ACCOMPLISHMENT: The NMB instituted a project to improve the NMB Roster of Arbitrators. An NMB Arbitrators Caseload Report was updated on the NMB website, along with the official Roster of Arbitrators.

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

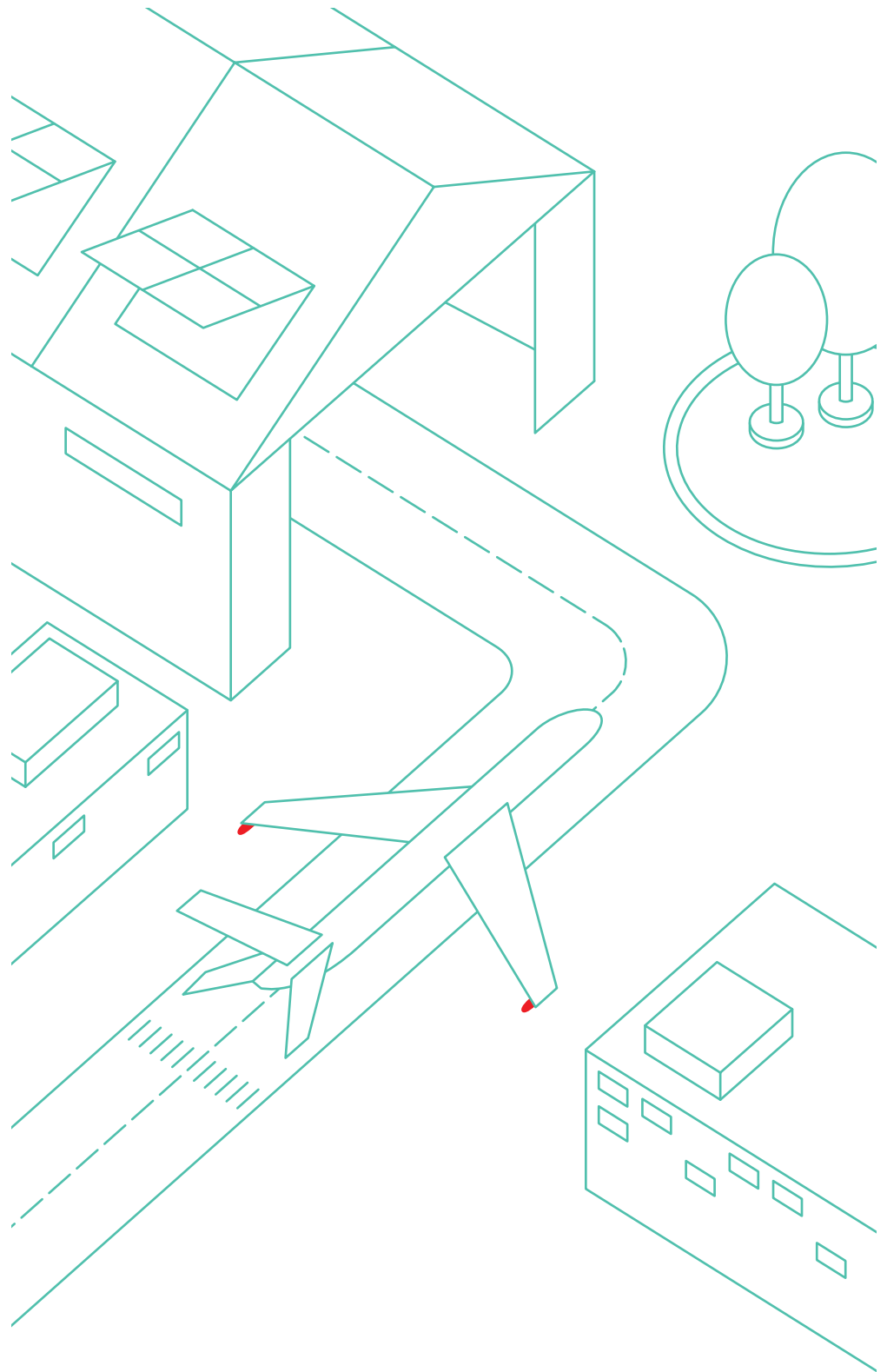
FY 2012 ACCOMPLISHMENT: The NMB initiated and implemented several special compensation projects, establishing more boards in which arbitrators were paid on a per-case basis and increasing compensation for cases heard online. These projects will be evaluated in FY 2013. NMB also implemented the Arbitrators Workspace which improved the billing and payment process.

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 to reduce costs for arbitration hearings and adoption conferences.

FY 2012 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 2012. The NMB also conducted a webinar using two well-known railroad arbitrators.

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-
- 38 REPRESENTATION
 - 44 PRESIDENTIAL
EMERGENCY BOARDS

Representation & PEBS

NATIONAL MEDIATION BOARD

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REPRESENTATION & PEBS

REPRESENTATION & PEBS

MARY JOHNSON,
General Counsel

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P

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.

NOTE A complete list of acronyms is given at the back of this Annual Report.

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. 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. [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.

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 case summaries that follow are examples of the varied representation matters which were investigated by the NMB during FY 2012.

REPRESENTATION HIGHLIGHTS

In May 2012, the NMB published a notice of proposed rulemaking (NPRM) in the Federal Register and on the NMB website to amend existing rules for handling representation disputes, incorporating statutory language added to or amending the RLA by the Federal Aviation Administration Modernization and Reform Act of 2012. The NPRM proposed changes to the existing regulations pertaining to run-off elections, showing of interest for representation elections, and the NMB's rulemaking proceedings. The Board also held a public hearing on June 19, 2012. The Board accepted comments on the proposed rule changes until August 6, 2012.

On June 15, 2012, the Board issued a policy stating "Any hyperlinks posted at any website other than the NMB's website are strictly prohibited. To assure that no illegal hyperlinks are used, effective June 18, 2012, the Board's election administrator prohibited access to the voting website by any employee who has originated from an unauthorized hyperlink." The Board will allow participants to "continue to post hyperlinks to the Board's website, www.nmb.gov, and may provide the text address of the voting website, www.ballotpoint.com/NMB, if they wish to direct employees where to vote in an NMB election."

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 37 cases and docketed 42 cases during the year. With the Agency resources requested for 2013 and 2014, it is estimated that 53-55 representation cases will be investigated and resolved in each year.

UNITED AIR LINES / IAM

On September 20, 2011, the International Association of Machinists filed an application alleging a representation dispute involving the craft or class of Passenger Service Employees of United Air Lines, MileagePlus, Inc., Continental Micronesia, and Continental Airlines (Carrier). On December 12, 2011, the Board issued a determination finding a single transportation system at the Carrier for the craft or class of Passenger Service Employees. *United Air Lines / Continental Airlines, Inc.*, 39 NMB 229 (2011). At the time the application was filed, the IAM represented the Passenger Service Employees at United Air Lines (United) and Mileage Plus, Inc. (MPI) and the International Brotherhood of Teamsters (IBT) represented the Passenger Service Employees at Continental Micronesia (CMI). The Passenger Service Employees at Continental Airlines (Continental) were unrepresented.

The Board noted that for 35 years, it has included employees who perform Fleet Service duties in the Passenger Service craft or class and that the Investigators erred by not taking prior Board determinations into consideration when determining the eligibility of cross-utilized Customer Service Representatives (CSRs) employees. The Board stated that the Investigators' conclusion and the Carrier's contention that the Board's determination of a single transportation system compelled the Board to disregard the historic craft or class definitions was unpersuasive, especially without evidence that job duties changed due to the merger process. The Board stated that Continental and United work groups had not yet been integrated and the Carrier did not identify any changes in job duties resulting from the merger process. The Board also noted that although it was possible that changes could occur following the completion of the merger of United and Continental, the Board does not make determinations based on future changes. Finally, the Board stated that without evidence that the work groups had been integrated, the job classifications of employees at pre-merger Continental Airlines have no bearing of a determination of the appropriate craft or class for these employees.

The Board found that the Investigators correctly ruled that Station Operations Representatives (SORS) performed both Fleet Service and Passenger Service functions. However, the Board stated that the Investigators erred by relying on cases involving other carriers, thereby ignoring the fact that on United, these employees were historically considered part of the Passenger Service craft or class. The Board found that all SORS, regardless of their current job assignment, continued to perform passenger service functions during irregular operations, continued to share the same community of interest with Passenger Service Employees as they did in 1998, and continued to bid their current assignments from the same seniority list. The Board did not find any evidence that SORS job functions had changed as the result of the merger.

The Board stated that the Investigators correctly found that Air Freight Representatives (AFRs) provided customer service to cargo customers in connection with cargo service. However, the Investigators erred by relying on cases involving other carriers, thereby ignoring the fact that on United, these employees were historically considered part of the Passenger Service craft or class and "customer contact" included contact with passengers or cargo customers. Further, the Board found that the furloughed AFRs continued to share the same community of interest with Passenger Service Employees as they had for the past 35 years and remained on the seniority list. Finally, the Board did not find any evidence that AFR job functions had changed as a result of the merger.

The Board also noted that the Investigators erred in relying on preponderance evidence to determine the eligibility of the cross-utilized CSRs. The Board found that the unique circumstances that prompted it to include these cross-utilized employees in the Passenger Service Employees craft or class 35 years ago remained unchanged. The Board stated that the evidence presented

by both the IAM and the Carrier demonstrated the fluidity of the job duties of the CSRs. The Board also found that the “snapshot” required by the preponderance test did not provide an accurate representation of the duties of these employees and was, therefore, not the appropriate test for making this craft or class determination under the unique circumstances presented in this case.

Finally, the Board found that at line stations, the present status and interest of the cross-utilized employees was illustrated by their work-related community of interest with the rest of the Passenger Service Employees craft or class at United. Additionally, the evidence provided by the IAM demonstrated that these employees did not have regular contact with Fleet Service employees; did not share break rooms or supervisors with the Fleet Service employees; and did not share work hours or training classes with the Fleet Service employees. The Board found that these employees did, however, share all of these with other employees in the Passenger Service craft or class; were on the same seniority list as the Passenger Service employees; and bid for vacation from that list.

The Board stated that the mere fact that a merger had occurred could not be the basis for finding these employees ineligible and denying them their right to vote. The Board also stated that in view of the unusual circumstances of this case, the Board’s decision was narrowly focused on finding, eligible, those employees who have historically voted in the Passenger Service Employees craft or class at United.

Therefore, the Board overruled the Investigators’ February 10, 2012 ruling and determined that the 706 CSRs, 152 furloughed AFRs and 117 SORs were eligible to vote in the Passenger Service election.

UNITED AIR LINES, INC. IAM / AFA

On January 18, 2011, the Association of Flight Attendants – CWA (AFA) filed an application requesting the NMB to investigate whether United Air Lines, Inc. (United), Continental Airlines, Inc. (Continental) and Continental Micronesia (CMI) were operating as a single transportation system for the craft or class of Flight Attendants. At the time the application was filed, the Flight Attendants on United were represented by AFA and Flight Attendants at Continental and CMI were represented by the International Association of Machinists and Aerospace Workers (IAM). The Board found United and Continental were a single transportation system known as United for the craft or class of Flight Attendants and proceeded to address the representation consequences. *United Air Lines, Inc. / Continental Airlines, Inc.*, 38 NMB 124 (2011). On April 26, 2011, the Board authorized an election in this matter with IAM and AFA on the Ballot. The Board scheduled the tally for June 29, 2011.

The June 30, 2011 Report of Election results reflected that a majority of votes were cast for AFA. The Board issued a Certification of AFA as the representative for purposes of the RLA of the craft or class of Flight Attendants. *United Air Lines, Inc. / Continental Airlines, Inc.*, 38 NMB 248 (2011).

On July 11, 2011, pursuant to the Manual Section 17.0, IAM filed allegations of election interference on the part of AFA and the Carrier. On January 9, 2012, the Board notified the participants that further investigation was necessary to determine whether the laboratory conditions had been tainted.

From February through April 2012 NMB Investigators conducted on-site investigations and interviewed management officials, randomly selected employees and AFA and IAM witnesses.

UNITED AIR LINES, INC. / IBT

The Board found that the laboratory conditions in the election involving United's Flight Attendants were not tainted and that the Carrier did not interfere with the election. However, the investigation further established that certain actions by the AFA raised concerns about the confidentiality of the voting process. The Board stated that while AFA's actions did not rise to the level of interference, coercion or influence, the Board found that these actions jeopardized the secrecy of the NMB's ballot process. Accordingly, the Board shortened its normal bar period set forth in Section 1206.4(a) of the Board's Rules and stated that the bar period in this case would expire 18 months after the date of AFA's certification.

On January 19, 2011, the International Association of Machinists and Aerospace Workers filed an application alleging a representation dispute involving the craft or class of Fleet Service Employees at the merging carriers of United, Continental, and CMI (United). Fleet Service Employees at United were represented by IAM and Fleet Service Employees at Continental and CMI were represented by the International Brotherhood of Teamsters (IBT). The Board issued its single carrier determination on April 28, 2011. *United Air Lines, Inc. / Continental Airlines, Inc.*, 38 NMB 185 (2011). The Board authorized an election with a tally scheduled for August 12, 2011 with IAM and IBT on the ballot. The Report of Election Results reflected that a majority of votes were cast for IAM. *United Air Lines, Inc. / Continental Airlines, Inc.*, 38 NMB 285 (2011).

On August 22, 2011, pursuant to Manual Section 17.0, IBT filed allegations of election interference against United and IAM, seeking a re-run election. United, IAM and the IBT filed responses. On January 18, 2012, the Board notified the participants that an investigation was necessary to determine whether laboratory conditions had been tainted. Board Investigators conducted on-site interviews and investigations at Chicago O'Hare International Airport (ORD) and Denver International Airport (DEN).

The Board found that there was some confusion over what activities were permitted, despite the instructions received by management. Management was instructed to remain neutral and generally did so. The Board stated that as the incumbent organization at ORD and DEN, IAM had more access to employees but that greater access was not sufficient to find interference by the Carrier. Additionally, isolated incidents of a carrier allowing the incumbent union access to property or equipment for activities other than official business during a campaign does not indicate a pattern of support.

The Board found that posting a hyperlink to the voting website might constitute interference and while that violation of Board policy did not rise to the level of compromising the voting process in this case, it had the potential to destroy the secrecy of the Board's election process. Although there was no evidence that IAM intended to use the hyperlink to track votes, the hyperlink's inclusion on IAM's website was a violation of Board policy. The IAM's actions did not justify setting aside the election but in view of the circumstances, the Board shortened the normal bar period on IAM's certification as set forth in Section 1206.4(a) of the Board's Rules and stated that the bar period would expire 18 months from the August 12, 2011 certification.

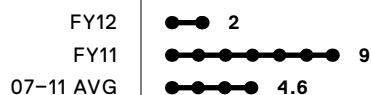
NATIONAL MEDIATION BOARD

ANNUAL PERFORMANCE AND ACCOUNTABILITY REPORT FY2012

REPRESENTATION CASES

REPRESENTATION & PEBS

START-PENDING



NEW



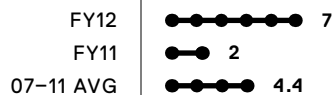
SUM



CLOSED



END-PENDING



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 employees on publicly funded and operated commuter railroads. Section 160 (Section 10) of the RLA covers all other railroads and airlines.

When the National Mediation Board determines that a collective-bargaining dispute cannot be resolved in mediation, the agency 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 employees on publicly funded and operated commuter railroads. 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.

¹ The NCCC represents all major Class I freight railroads in the United States as well as many smaller freight and passenger lines in national collective bargaining. The Carriers involved in this dispute include five Class I railroads: Union Pacific Railroad; BNSF Railway Company; CSX Transportation, Inc.; Norfolk Southern Railway Company; and The Kansas City Southern Railway Company; and the following railroads: Alton & Southern Railway Company; The Belt Railway Company of Chicago; Brownsville and Matamoros Bridge Company; Central California Traction Company; Columbia & Cowlitz Railway Company; Consolidated Rail Corporation; Gary Railway Company; Indiana Harbor Belt Railroad Company; Kansas City Terminal Railway Company; Longview Switching Company; Los Angeles Junction Railway Company; Manufacturers Railway Company; New Orleans Public Belt Railroad; Norfolk & Portsmouth Belt Line Railroad Company; Northeast Illinois Regional Commuter Railroad Corporation; Oakland Terminal Railway; Port Terminal Railroad Association; Portland Terminal Railroad Company; Soo Line Railroad Company (Canadian Pacific); South Carolina Public Railways; Terminal Railroad Association of St. Louis; Texas City Terminal Railway Company; Union Pacific Fruit Express; Western Fruit Express Company; Wichita Terminal Association; and Winston-Salem Southbound Railway Company.

PEB HIGHLIGHTS

During fiscal year 2012, only one PEB was created: Presidential Emergency Board 243. This was a Section 160 PEB.

In November 2009, pursuant to Section 6 of the RLA, the National Carrier's Conference Committee (NCCC)¹ served on the Organizations² formal notices for changes in current rates of pay, rules, and working conditions. The parties were unable to resolve the issues in dispute in direct negotiations; and applications were filed with the NMB by the separate crafts or classes now bargaining as the CRU in July 2010, and by the RLBC in January 2011.

Following the applications for mediation, representatives of all parties worked with the NMB mediators and Board Members in an effort to reach agreements. Various proposals for settlement were discussed, considered, and rejected. On September 2, 2011, the NMB, in accordance with Section 5, First, of the RLA, urged the NCCC and the Organizations to enter into agreements to submit their collective bargaining disputes to arbitration as provided in Section 8 of the RLA ("proffer of arbitration"). On September 2, 2011, the Organizations individually declined the NMB's proffer of arbitration and the NCCC accepted the NMB's proffer of arbitration.

On September 6, 2011, the NMB served notices that its services had been terminated under the provisions of Section 5, First, of the RLA. Accordingly, self-help became available at 12:01 a.m., Eastern Daylight Time, on Friday, October 7, 2011.

Following the termination of mediation services, the NMB advised President Obama, in accordance with Section 10 of the RLA, that in its judgment the disputes threaten substantially to interrupt interstate commerce to a degree that would deprive sections of the country of essential transportation service. The President, acting within his discretionary authority, issued an Executive Order on October 6, 2011. Effective 12:01 a.m., Eastern Daylight Time, on October 7, 2011, the Executive Order created Presidential Emergency Board 243 to investigate and report concerning the disputes and triggered a "cooling off" period under the provisions of the RLA. The President appointed Ira F. Jaffe, as Chairman of the Board, and Roberta Golick, Joshua M. Javits, Gilbert H. Vernon and Arnold M. Zack, as Members. The Board submitted its Report to the President on November 5, 2011.

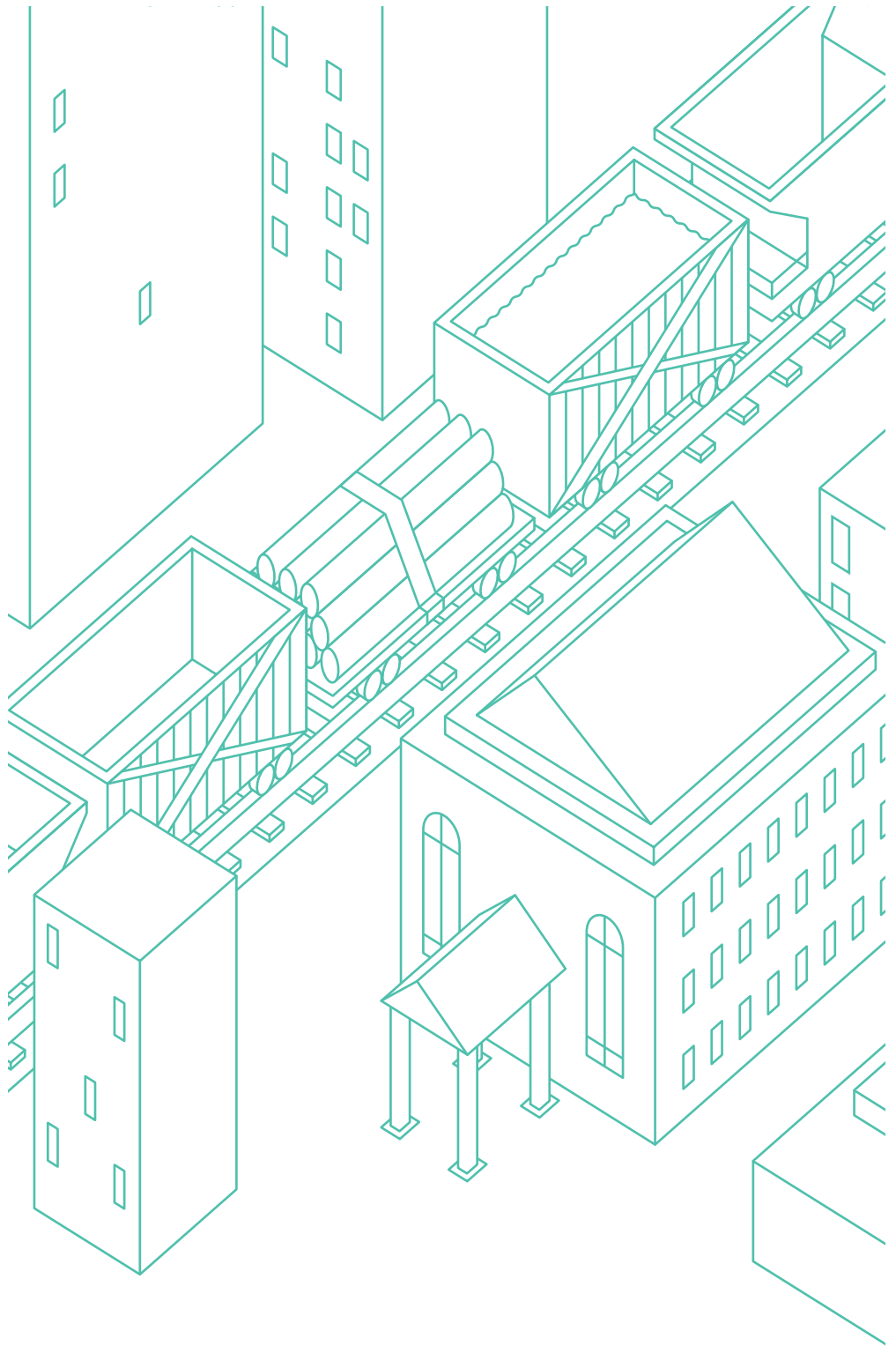
² The Brotherhood of Railroad Signalmen ("BRS") representing Signalmen; Brotherhood of Locomotive Engineers and Trainmen ("BLET") representing Engineers; Brotherhood of Maintenance of Way Employees Division of the International Brotherhood of Teamsters ("BMWED") representing Maintenance of Way employees; International Brotherhood of Boilermakers, Blacksmiths, Iron Ship Builders, Forgers and Helpers ("IBB") representing Boilermakers; Sheet Metal Workers' International Association ("SMWIA") representing Sheet Metal Workers; and the National Conference of Firemen & Oilers ("NCFO") representing Firemen and Oilers; are bargaining together as the Rail Labor Bargaining Coalition ("RLBC").

The Transportation-Communications International Union ("TCU") representing Clerks and Carmen; American Train Dispatchers Union (ATDA) representing Train Dispatchers; International Association of Machinists and Aerospace Workers ("IAMAW") representing Machinists; International Brotherhood of Electrical Workers ("IBEW") representing Electrical Workers; and Transport Workers Union ("TWU") representing Carmen; are bargaining collectively as the Coalition of Rail Unions ("CRU").

Collectively, the organizations in the RLBC represent approximately 56,000 employees and the organizations in the CRU represent approximately 34,000 employees. All eleven Organizations will be referred to collectively hereinafter as the "Organizations."

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Financial Reports & Management Assurances

CFO LETTER

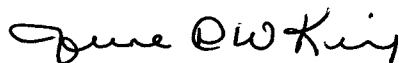
OCTOBER 26, 2012

I am pleased to present the National Mediation Board's (NMB) FY 2012 Consolidated Financial statements. This report is prepared in accordance with the requirements of the Office of Management and Budget Circular A-136, Financial Reporting Requirements.

This year, the NMB received its 14th consecutive unqualified audit opinion. Also of notable mention is the multi-departmental effort that contributed to the reduction of a material weakness down to a significant deficiency.

The revised administrative processes within the Office of Administration and the Office of Arbitration Services improved the recording of obligations related to arbitration services. The new system was fully implemented in August, 2012, and showed that the NMB was on the right financial path.

The NMB continues to strive to improve its financial stewardship by promoting sound business practices and improved accountability.



JUNE D.W. KING

Director, Office of Administration and Chief Financial Officer

AUDIT REPORTS

SEPTEMBER 30, 2012

ALLMOND & COMPANY, LLC
Certified Public Accountants
8181 Professional Place, Suite 250
Landover, Maryland 20785
(301) 918-8200

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NATIONAL MEDIATION BOARD

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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, 2012, 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 for 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, 2012, 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 26, 2012 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
October 26, 2012
Landover, Maryland

BOARD MEMBERS

National Mediation Board

We audited the accompanying balance sheet of the National Mediation Board (NMB) as of September 30, 2012, 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 26, 2012. 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 2012 audit, we noted, one matter described in Exhibit I that we considered to be a significant deficiency. This control weakness was considered to be a material in the FY 2011 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
October 26, 2012
Landover, Maryland

EXHIBIT I

SIGNIFICANT DEFICIENCY

Improvements Were Needed in Recording Obligations Related to Arbitration Services

National Mediation Board (NMB) experienced significant issues related to recording obligations for arbitration services in the general ledger when they are incurred (once an arbitrator is assigned to a case) during both fiscal year (FY) 2010 and 2011. During FY 2012, NMB made substantial improvements to their procedures for recording obligations related to arbitration services as a result of the implementation of the Arbitration Workspace (AWS). These improvements included (1) obligating the full cost of the obligation when an arbitrator is assigned to a case; (2) tracking of all cost associated with an arbitrator rendering an award on a case; and (3) documenting the approval to assign an arbitrator to hear a case or group of cases.

Although improvements have been made by NMB to arbitration procedures, we continued to identify weaknesses in recording obligations related to arbitration services in the general ledger. Specifically, the following weaknesses were identified during our interim and year-end procedures over obligations related arbitration services (1) Office of Administration was not always timely notified when an arbitrator has been assigned to hear a case (obligation was incurred); (2) Arbitration obligations recorded in AWS were not always in agreement with obligations recorded in the general ledger related to arbitration services.; and (3) the general ledger was not always timely updated when more information about the status of a case became available in AWS.

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."

NMB had not fully implemented internal control procedures that would allow the arbitration obligations recorded in AWS to agree with the obligations recorded in the general ledger related to arbitration services until the last two months of FY 2012. As a result, Accounts Payable was overstated by \$156,582 at September 30, 2012.

We recommend NMB management do the following to address the issues noted above:

- 01 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 Arbitration Workspace.
- 02 Monitoring activities be performed monthly by Office of Administration and Office of Arbitration over the funds that remain available for obligation related to arbitration services.
- 03 Continue to develop a mechanism to estimate and update obligations related to arbitration in the general ledger as more information about the status of the case becomes available.

MANAGEMENT RESPONSE

NMB Management has reviewed the recommendations identified above and notes that with the full implementation of the arbitration workspace with the operations of the Office of Administration in August 2012, these recommendations have been addressed.

The Office of Administration and Office of Arbitration Service now reconciles the status of the arbitration workspace and the obligated balance in the accounting system on a monthly basis. If any adjustments are necessary, they are made at that time. This process was followed during the last two months of the fiscal year. This shows that the NMB is on the right track for fiscal accountability over Section III funding.

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, 2012, 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 26, 2012.

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. 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 No. 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 26, 2012

Landover, Maryland

NATIONAL MEDIATION BOARD

ANNUAL PERFORMANCE
AND ACCOUNTABILITY
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FINANCIAL STATEMENTS

NATIONAL MEDIATION BOARD BALANCE SHEET

As of September 30, 2011
and September 30, 2012

FINANCIAL REPORTS & MANAGEMENT ASSURANCES

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ASSETS	2012	2011
ENTITY ASSETS:		
INTRAGOVERNMENTAL		
Fund Balance with Treasury (Note 2)	\$ 5,258,491	\$ 4,695,777
Real Estate, Property and Equipment (Note 3)	124,420	174,567
TOTAL ASSETS	\$ 5,382,911	\$ 4,870,344
LIABILITIES AND NET POSITION		
LIABILITIES:		
INTRAGOVERNMENTAL LIABILITIES		
Accounts Payable	188,738	240,907
GOVERNMENTAL LIABILITIES:		
Accounts Payable	278,450	487,457
Accrued Payroll and Benefits	128,000	130,139
Unfunded Annual Leave	0	0
Unfunded Arbitration Liability (Note 8)	0	542,520
Contingent Liabilities (Note 9)	75,000	0
Capital Lease Liability (Note 10)	90,172	120,481
TOTAL LIABILITIES	1,182,575	1,934,840
NET POSITION:		
Unexpended Appropriated Capital	4,573,132	3,716,794
Cumulative Results of Operations	(372,796)	(781,290)
TOTAL NET POSITION	4,200,336	2,935,504
TOTAL LIABILITIES AND NET POSITION	\$ 5,382,911	\$ 4,870,344

NATIONAL MEDIATION BOARD

ANNUAL PERFORMANCE
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NATIONAL MEDIATION BOARD STATEMENT OF NET COST

For the Year Ended September 30,
2012 and September 30, 2011

COSTS	2012	2011
MEDIATION/ADR		
Intragovernmental	\$ 2,319,292	\$ 2,320,740
With the Public	4,123,670	4,410,119
TOTAL	6,442,962	6,730,859
REPRESENTATION		
Intragovernmental	\$ 1,011,723	\$ 1,040,332
With the Public	1,772,832	1,929,427
TOTAL	2,784,555	2,969,759
ARBITRATION		
Intragovernmental	\$ 682,998	\$ 680,217
With the Public	2,334,946	2,624,433
TOTAL	3,017,944	3,304,650
PRESIDENTIAL EMERGENCY BOARD		
Intragovernmental	\$ 3,712	\$ 0
With the Public	149,266	183,755
TOTAL	152,978	183,755
Less Revenue from Services	0	0
NET PROGRAM COSTS	\$ 12,398,439	\$ 13,189,023
NET COST OF OPERATIONS	\$ 12,398,439	\$ 13,189,023

NATIONAL MEDIATION BOARD

ANNUAL PERFORMANCE
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NATIONAL MEDIATION BOARD STATEMENT OF CHANGES IN NET POSITION

For the Year Ended September 30,
2012 and September 30, 2011

	2012	2011
UNEXPENDED APPROPRIATIONS:		
Beginning Balance – October 1, 2010	\$ 3,716,794	\$ 3,259,683
Prior Period Adjustments	0	(28,802)
Beginning Balance Adjusted	\$ 3,716,794	\$ 3,230,881
Appropriations Received	13,436,000	13,463,000
Other Adjustments	(238,677)	(358,876)
Appropriations Used	(12,340,985)	(12,618,211)
TOTAL UNEXPENDED APPROPRIATIONS	\$ 4,573,132	\$ 3,716,794
CUMULATIVE RESULTS OF OPERATIONS:		
Beginning Balance – October 1, 2010	\$ (781,290)	\$ (719,819)
Prior Period Adjustments – All Other Funds	0	28,803
Beginning Balance as Adjusted – All Other Funds	\$ (781,290)	\$ (691,016)
Appropriations Used – All Other Funds	12,340,985	12,618,211
Imputed Financing – All Other Funds (Note 5)	465,948	480,538
Net Cost of Operations – All Other Funds	(12,398,439)	(13,189,023)
TOTAL CUMULATIVE RESULT OF OPERATIONS	\$ (372,796)	\$ (781,290)
NET POSITION	\$ 4,200,336	\$ 2,935,504

NATIONAL MEDIATION BOARD

ANNUAL PERFORMANCE
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NATIONAL MEDIATION BOARD STATEMENT OF BUDGETARY RESOURCES

For the Year Ended September 30,
2012 and September 30, 2011

	2012	2011
BUDGETARY RESOURCES:		
Budget Authority	\$ 13,436,000	\$ 13,463,000
Unobligated Balance – Beginning Period	2,600,906	2,324,226
Spending Authority from Offsetting Collections	0	0
Recoveries of Prior Year Obligations	0	0
Adjustments	(238,677)	(358,876)
TOTAL BUDGETARY RESOURCES	\$ 15,798,229	\$ 15,428,350
STATUS OF BUDGETARY RESOURCES:		
Obligations Incurred (Note 10)	\$ 12,670,526	\$ 12,827,444
Unobligated Balance – Available	395,763	467,152
Unobligated Balance – Not Available	2,731,640	2,133,754
TOTAL STATUS OF BUDGETARY RESOURCES	\$ 15,798,229	\$ 15,428,350
OUTLAYS:		
Obligations Incurred	\$ 12,670,526	\$ 12,827,568
Less: Spending authority from offsetting collections and adjustments	(0)	(0)
Recoveries of Prior Year Obligations	(0)	(0)
Obligated Balance, Net – Beginning Period	2,094,871	1,816,083
Obligated Balance, Transferred, Net		
Less: Obligated Balance, Net – End of Period	(2,130,787)	(2,094,871)
NET OUTLAYS	\$ 12,634,610	\$ 12,548,656

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF REPORTING ENTITY

The National Mediation Board (NMB), established by the 1934 amendments to the Railway Labor Act of 1926, 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 three statutory goals:

- 01 The prompt and orderly resolution of disputes arising out of the negotiation of new or revised collective bargaining agreements;
- 02 The effectuation of employee rights of self-organization where a representation dispute exists; and
- 03 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. 95122400), 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 a 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.

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, 2012.

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, 2012 and September 30, 2011 were:

	FY 2012	FY 2011
Unfunded Annual Leave	\$ 422,215	\$ 413,336
Unfunded Arbitrators Liabilities	\$ 0	\$ 542,520

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 2012	FY 2011
Unobligated, available	\$ 0	\$ 0
Unobligated, unavailable	3,127,704	2,600,906
Undelivered Orders	1,445,428	1,115,888
UNEXPENDED APPROPRIATED CAPITAL	\$ 4,573,132	\$ 3,716,794

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 2012 and 2011, NMB paid \$73,192 and \$70,803 for CSRS, and \$490,177 and \$464,031 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 2012	FY 2011
Obligated	\$ 2,138,090	\$ 2,094,871
Unobligated Available	0	0
Unobligated Restricted	3,120,401	2,600,906
FUND BALANCE WITH TREASURY	\$ 5,258,491	\$ 4,695,777

NATIONAL MEDIATION BOARD

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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, 2012 and September 30, 2011 consisted of:

	FY 2012	FY 2011
Equipment-Capitalized	\$ 93,553	\$ 93,553
Capital Lease	157,180	182,353
	250,734	275,906
Less: Accumulated Depreciation	(126,314)	(101,339)
TOTAL PROPERTY AND EQUIPMENT, NET	\$ 124,420	\$ 174,567

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 2012, NMB has chosen to display its operating expenses by object classification for FY 2012 and FY 2011 for a more clear presentation.

	FY 2012	FY 2011
Personnel Compensation	\$ 7,241,947	\$ 7,188,686
Personnel Benefits	1,484,174	1,496,094
Travel of Persons	601,263	627,539
Transportation of Things	2,484	1,422
Rent/Comm/Utilities	1,526,422	1,530,393
Printing	6,344	4,376
Other Services	1,160,603	1,457,584
Supplies	173,778	161,180
Equipment 1	34,849	118,885
TOTAL	\$ 12,331,864	\$ 12,586,159

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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.

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, 2012 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	\$ 310,116	\$ 72,846	\$ 72,846	\$ 164,424
FERS	570,289	33,302	495,360	41,627
TOTAL	\$ 880,405	\$ 106,148	\$ 568,207	\$ 206,051
Health Insurance				258,857
Life Insurance				1,040
TOTAL				259,897
GRAND TOTAL IMPUTED FINANCING				\$ 465,948

SEPTEMBER 30, 2011

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

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**NOTE 6: OBLIGATED
BALANCES, NET, END
OF PERIOD AS OF
SEPTEMBER 30, 2012**

The components of the obligated balance as of September 30, 2012 and September 30, 2011 are:

	FY 2012	FY 2011
Undelivered Orders	\$ 1,445,428	\$ 1,115,888
Accounts Payable	685,359	978,983
TOTAL OBLIGATED BALANCE	\$ 2,130,787	\$ 2,094,871

**NOTE 7: RECONCILIATION OF
NET COST OF OPERATIONS
(PROPRIETARY) TO BUDGET**

For the Year Ended September 30, 2012 and September 30, 2011

	FY 2012	FY 2011
Resources Used to Finance Activities		
Obligations Incurred	\$ 12,670,526	\$ 12,827,444
Less: Spending authority for offsetting collections and Recoveries of Prior Year Obligations	(0)	(0)
Imputed Financing (Note 5)	465,948	480,538
TOTAL BUDGETARY RESOURCES TO FINANCE ACTIVITIES	\$ 13,136,474	\$ 13,307,982
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	\$ 329,540	\$ 180,430
Costs Capitalized on the Balance Sheet	0	72,353
Other	0	6,645
TOTAL RESOURCES NOT USED TO FINANCE NET COST OF OPERATIONS	\$ 329,540	\$ 259,428
TOTAL RESOURCES USED TO FINANCE NET COST OF OPERATIONS	\$ 12,806,934	\$ 13,048,554
Costs that do not require Resources:		
Depreciation and Amortization	\$ 50,146	\$ 55,181
Change in Future Funded Liabilities	(458,641)	56,485
Revaluation of Assets and Liabilities	0	28,803
TOTAL COSTS THAT DO NOT REQUIRE RESOURCES	(408,495)	140,469
Net Cost of Operations	\$ 12,398,439	\$ 13,189,023

**NOTE 8: CONTINGENT
ARBITRATOR LIABILITIES**

The NMB revised its policy, so that when cases are assigned to an Arbitrator the full cost of the case is obligated. Currently, 1,104 cases are not assigned to any arbitrators. If these cases were assigned, we estimate it would cost \$695,520 for arbitrators to hear and render an award on these cases.

**NOTE 9: CONTINGENT
LIABILITIES**

NMB's dispute with a vendor, subject them to potential liabilities of \$75,000 where an adverse outcome is probable.

**NOTE 10: 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, 2011 and expires on October 31, 2016. 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 1.14% from 2012 to 2013 to estimate the escalation that the market will yield.

SCHEDULE OF FUTURE MINIMUM LEASE PAYMENTS

2013	\$ 1,386,391
2014	\$ 1,402,196
2015	\$ 1,418,181
2016	\$ 1,434,348
TOTAL FUTURE MINIMUM LEASE PAYMENTS	\$ 5,641,116

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, 2012 and 2011 was \$0 and \$500, 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, 2012 and 2011 was \$1,642 and 2,919, 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, 2012 and 2011 was \$6,912 and 12,736, respectively.

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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, 2012 and 2011 was \$67,453 and 86,153, 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, 2012 and 2011 was \$14,164 and 18,067, respectively.

NOTE 11: APPORTIONMENT CATEGORIES OF OBLIGATIONS INCURRED

Obligations Incurred reported on the Statement of Budgetary Resources in 2012 and 2011 consists of the following:

DIRECT OBLIGATIONS	FY 2012	FY 2011
Category A	\$ 12,584,790	\$ 12,769,920
Category B	85,736	57,524
TOTAL OBLIGATIONS INCURRED	\$ 12,670,526	\$ 12,827,444

NOTE 12: STATEMENT OF BUDGETARY RESOURCES VS. BUDGET OF THE UNITED STATES GOVERNMENT

The reconciliation as of September 30, 2011 is presented below. The reconciliation as of September 30, 2011 is not presented, because the submission of the Budget of the United States (Budget) for FY 2014, which presents the execution of the FY 2012 budget, occurs after publication of these financial statements. The National Mediation Board Budget Appendix can be found on the OMB website (<http://www.whitehouse.gov/omb/budget>) and will be available in early February 2013. For the Fiscal Year Ended September 30, 2011 (in millions)

	Budgetary Resources	Obligations Incurred	Distributed Offsetting Receipts	Net Outlays
Statement of Budgetary Resources Expired Funds	\$ 15 (2)	\$ 13	\$ 0	\$ 13
BUDGET OF THE UNITED STATES	\$ 13	\$ 13	\$ 0	\$ 13

MANAGEMENT ASSURANCES (FMFIA)

ASSURANCE STATEMENT (FMFIA)

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:

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

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

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.



HARRY R. HOGLANDER
Chairman
October 26, 2012

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 use 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 2012, 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.

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 that requires an approved purchase request form 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 continues to work with the Bureau of the Public Debt to perform reviews of the NMB's technology security program. The results of the reviews 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.

FMFIA MATERIAL WEAKNESS IN MANAGEMENT OPERATIONS

In the NMB's 2011 financial audit, the auditors once again identified the same material weakness from the previous fiscal year. The weakness related to 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. The NMB had previously put administrative procedures in place that it believed would resolve the 2010 findings. The NMB moved to a new system which became fully operational in August, 2012, ensuring that the accounting system and the arbitrator workspace are reconciled monthly and funds are available for the cases assigned to arbitrations. These procedures have placed the NMB on the right path of fiscal accountability over Section III funding.

The NMB will continue to estimate a contingent liability in the notes to the financial statements for cases that are not assigned to arbitrators based upon a \$630 per case cost assumption. The estimated cost was calculated based upon average case costs over the past five fiscal years. While this amount will be in the notes, it will not be on the face of the financial statements.

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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	0	N/A	0
2011 report	0	N/A	0
2012 report	0	N/A	0
TOTAL	0	0	0

PENDING MATERIAL WEAKNESSES (BY FUNCTION)

CATEGORY	NUMBER	YEAR FIRST REPORTED
Program management	0	N/A
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	0	N/A

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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
2012 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
2012 report	0	N/A	0
TOTAL	0	N/A	0

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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

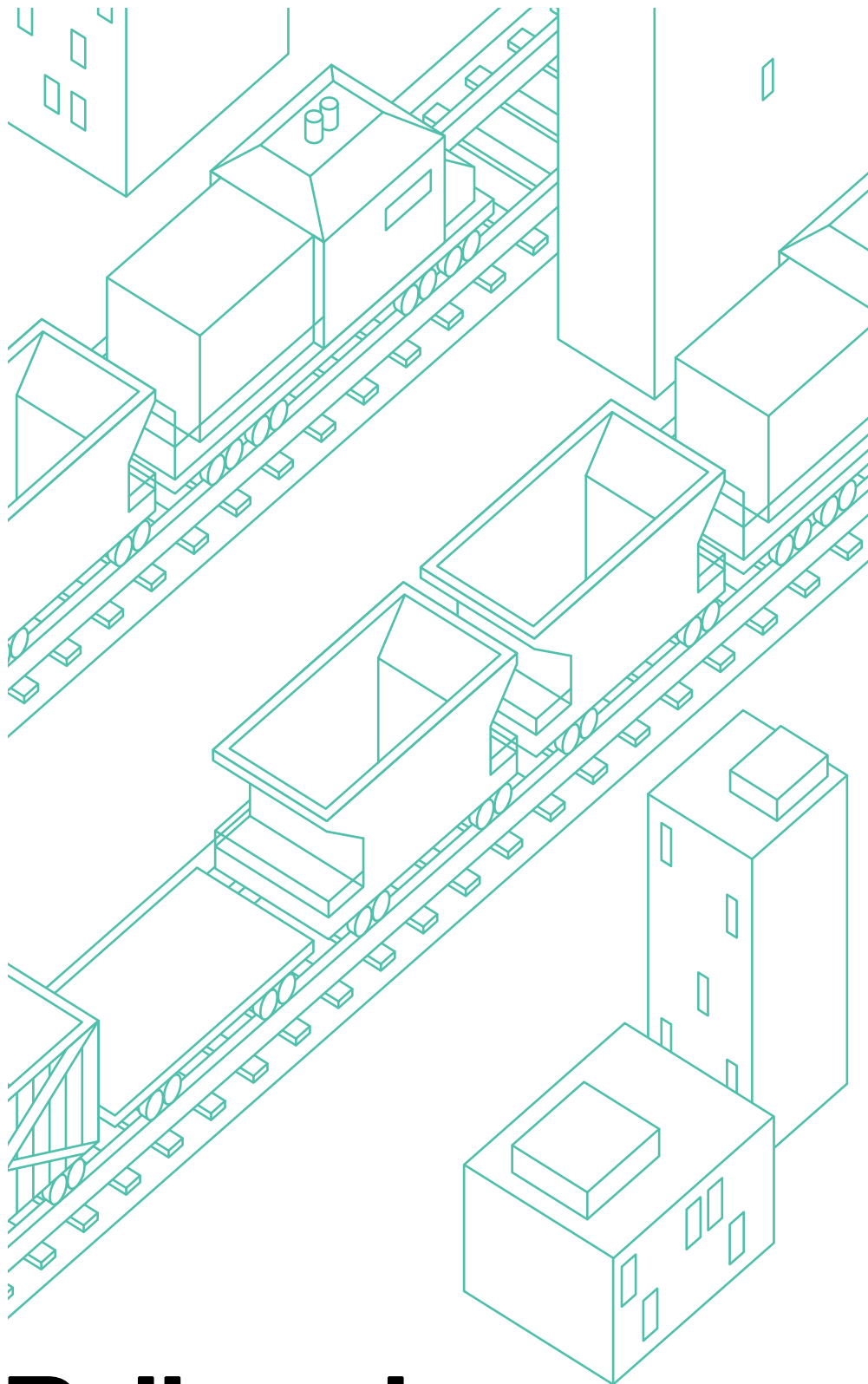
PERIOD REPORTED	REPORTED	CORRECTED	PENDING
Prior Years	0	N/A	0
2006 report	0	N/A	0
2007 report	0	N/A	0
2008 report	0	N/A	0
2009 report	0	N/A	0
2010 report	0	N/A	0
2011 report	0	N/A	0
2012 report	0	N/A	0
TOTAL	0	0	0

PENDING NONCONFORMANCE

PERIOD REPORT: FY 12	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

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NATIONAL MEDIATION BOARD

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NATIONAL RAILROAD ADJUSTMENT BOARD (NRAB) BOARD MEMBERS

NRAB

Marcus J. Ruef
BLET, BOARD CHAIRMAN

Michael C. Lesnik
NRLC, BOARD VICE CHAIRMAN

FIRST DIVISION MEMBERS

David B. Wie
UTU, CHAIRMAN
John F. Hennecke
NRLC, VICE CHAIRMAN

—
Timothy E. Coffey, **BRC**
Douglas W. Davidson
BLET
Bruce D. Feltmeyer, **UTU**
Donald A. Noell, **CSXT**
Zahn Reuther, **BNSF**
Marcus J. Ruef, **BLET**

SECOND DIVISION MEMBERS

James E. Meyer
IBEW, CHAIRMAN
H. Glen Williams
NRLC, VICE CHAIRMAN

—
John Cartlidge, **CP**
Mary Kay Conley, **IHB**
Jeff Doerr, **IAMAW**
Donald E. Grissom, **BRC**
Larry Holbert, **SMWIA**
Thomas Lawrence, III
MRL
Donald J. Merrell, **BNSF**
John Thacker, **F&O**

THIRD DIVISION MEMBERS

Gary L. Hart
BMWED-IBT, CHAIRMAN
Michael C. Lesnik
NRLC, VICE CHAIRMAN

—
Cynthia Bacon, **PATH**
Donald Boyd, **HERE**
John Bragg, **BRS**
Mary C. Gunn, **TCIU**
Brant Hanquist, **UP**
Michelle McBride, **BNSF**
Anthony Stillittano, **D&H**
David W. Volz, **ATDA**

FOURTH DIVISION MEMBERS

William T. Bohné
IBEW, CHAIRMAN
Jeffrey F. Rodgers
NRLC, VICE CHAIRMAN

—
John E. Lesniewski
UTU/YDM
Christine Marier, **CP**
Allison Parker, **ARASA**

NRAB REFEREES

FIRST DIVISION

Edwin H. Benn
Brian Clauss
James M. Darby
Robert A. Grey
Lisa S. Kohn
Peter R. Meyers
William R. Miller
Elizabeth C. Wesman

SECOND DIVISION

Lynette A. Ross

THIRD DIVISION

Edwin H. Benn
Dennis J. Campagna
Brian Clauss
James E. Conway
Patrick Halter
Roger K. MacDougall
Sherwood Malamud
Peter R. Meyers
William R. Miller
Richard Mittenthal
Barry E. Simon
Marty E. Zusman

FOURTH DIVISION

Elizabeth C. Wesman

NOTE A complete list of acronyms is given at the back of this Annual Report.

NATIONAL MEDIATION BOARD

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SECTION 3 TRIBUNALS

1. PUBLIC LAW BOARDS, SPECIAL BOARDS OF ADJUSTMENT AND ARBITRATION BOARDS

RAILROAD GRIEVANCE ARBITRATION

72

TYPE	NO. OF BOARDS
Public Law Boards	76
Special Boards of Adjustment	0
Arbitration Board	0
TOTAL	76

1A. CARRIERS

Belt Railway Company of Chicago
Burlington Northern Santa Fe Railway Company
Canadian National Railway Company
Canadian Pacific Railway Company
Chicago South Shore Railroad
Chicago and Fort Wayne Railroad
Consolidated Rail Corporation
CSX Transportation, Inc.
Grand Trunk Western Railroad
Illinois Central Railroad
Indiana Harbor Belt Railroad
Kansas City Southern
Long Island Rail Road
Massachusetts Bay Commuter Railroad
Metro North Commuter Rail
Montana Rail Link
National Railroad Passenger Corporation (AMTRAK)
New Jersey Transit Authority
New Orleans Public Belt Railroad
Norfolk Southern Corporation
North Carolina and Virginia Railroad
Northeast Illinois Regional Commuter
Pan Am Railway
Port Authority Trans Hudson of NY & NJ
Providence & Worcester Railroad
Soo Line Railroad Company
South Buffalo Railroad
South Carolina Central Railroad
South Central Florida Railroad
Southeastern Pennsylvania Transportation Authority
Terminal Railroad Association of St. Louis
TTX Company
Union Pacific Railroad Company
Wisconsin Central Ltd.

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
Illinois Central Train Dispatchers Association
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 Transportation Union

**1C. ARBITRATORS (PUBLIC LAW BOARD, SPECIAL BOARD
OF ADJUSTMENT OR ARBITRATION BOARD)**

Edwin Benn	Richard Mittenthal
Steven Bierig	Sidney Moreland
John R. Binau	James E. Nash
Robert Camp	Margo Newman
Dennis Campagna	Daniel Nielsen
Michael Capone	Robert M. O'Brien
Joseph Cassidy	Joan Parker
Brian Clauss	Robert E. Peterson
James E. Conway	Francis X. Quinn
James Darby	Richard H. Radek
Rodney Dennis	David Ray
Francis J. Domzalski	Thomas N. Rinaldo
John Easley	Sean J. Rogers
Dana E. Eischen	Lynette A. Ross
Lewis L. Ellsworth	Martin Scheinman
Joseph Fagnani	Barry E. Simon
Martin Fingerhut	Josef Sirefman
Charles Fischbach	Andrew Strongin
Steven Friedman	David Twomey
Gayle Gavin	M. David Vaughn
Charlotte Gold	Gerald E. Wallin
Robert A. Grey	Lamont Walton
Patrick Halter	Elizabeth C. Wesman
Don Hampton	Betty Widgeon
Richard Hanft	Barbara Zausner
Don Hays	Marty E. Zusman
I B. Helburn	
Robert L. Hicks	
Michele Hoyman	
Joan Ilivicky	
Ann S. Kenis	
Jonathan Klein	
Joyce Klein	
Andria Knapp	
Lisa S. Kohn	
Sinclair Kossoff	
Mitchell Kraus	
Edward Lalor	
George Larney	
James Litton	
Charles Loughran	
Frank Lynch	
Roger MacDougall	
Sherwood Malamud	
Peter R. Meyers	
William Miller	

NATIONAL MEDIATION BOARD

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2. LABOR PROTECTIVE PROVISIONS

N/A

3. UNION SHOPS

N/A

4. SYSTEM BOARDS OF ADJUSTMENT— JAMES DARBY

CARRIER: U. S. Airways
UNION: Air Line Pilots Association

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 www.nmb.gov/arbitration/amenu.html.

NRAB OPEN CASE REPORT

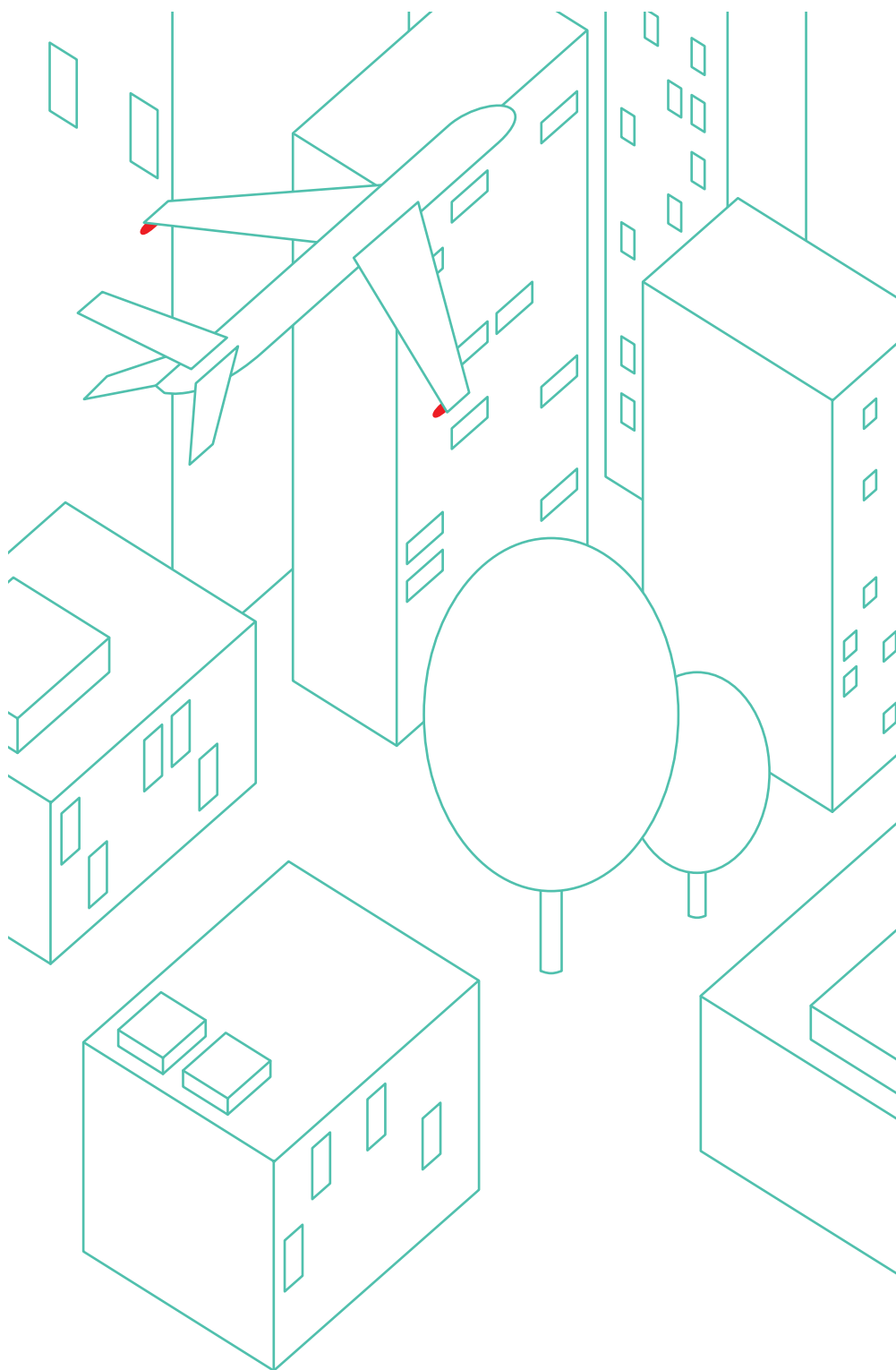
The NRAB Open Case Report shows all of the cases that are currently open for the NRAB. Shown in this report are the Arbitrator (if assigned), the parties, the date the case was opened, the date the case was deadlocked and the date the case was heard.

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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CASE TABLES

**TABLE-1: CASES RECEIVED
AND CLOSED**

	FY2012	FY2011	FY2010	FY2009	FY2008	FY2007	07-11 AVG
MEDIATION							
Start-Pending	91	84	74	44	64	75	68.2
New	53	48	43	58	20	34	40.6
Sum	144	132	117	102	84	109	108.8
Closed	46	41	33	28	40	45	37.4
End-Pending	98	91	84	74	44	64	71.4
ADR*							
Start-Pending	23	22	23	27	31	17	24.0
New	32	46	28	15	44	44	35.4
Sum	55	68	51	42	75	61	59.4
Closed	29	45	29	19	48	30	34.2
End-Pending	26	23	22	23	27	31	25.2
REPRESENTATION							
Start-Pending	2	9	8	2	4**	0	4.6
New	42	41	40	46	45	25	39.4
Sum	44	50	48	48	49	25	44.0
Closed	37	48	39	40	47	24	39.6
End-Pending	7	2	9	8	2	1	4.4
ARBITRATION							
Start-Pending	2384	2770	4037**	6212	5551	4664	4646.8
New	3569	3908	4381	4920	6056	4929	4838.8
Sum	5953	6678	8418	11132	11607	9593	9485.6
Closed	3869	4294	5648	7073	5395	4042	5290.4
End-Pending	2084	2384	2770	4059	6212	5551	4195.2

*ADR caseload counts include OP and OP-ODR cases only in FY-2007 through FY-2010.

**Caseload adjusted based on case audit.

NOTE A complete list of acronyms is given at the back of this Annual Report.

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**TABLE 2: REPRESENTATION
CASE DISPOSITION**

	NUMBER OF CASES	NUMBER OF CRAFTS OR CLASSES	NUMBER OF EMPLOYEES INVOLVED	NUMBER OF EMPLOYEES PARTICIPATING
RAILROADS				
Certifications	7	7	102	81
Dismissals	4	4	154	49
TOTALS	11	11	256	130
AIRLINES				
Certifications	10	10	35,399	30,301
Dismissals	16	16	52,374	43,370
TOTALS	26	26	87,773	73,671
TOTALS—				
Railroads and Airlines	37	37	88,029	73,801

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**TABLE 3: REPRESENTATION
CASES CLOSED**

RAILROADS	TOTAL CASES	REPRESENTATION CASES	MEDIATION CASES
Agents, Telegraphers and Towermen	0	0	0
Boilermakers and Blacksmiths	1	0	1
Brakemen and Conductors	0	0	0
Carmen	3	1	2
Clerical Office, Station and Storehouse Employees	1	1	0
Clerks	1	0	1
Conductors	2	0	2
Dining Car Employees, Train and Pullman Porters	0	0	0
Electrical Workers	2	0	2
Engineers and Related Employees	0	0	0
Firemen and Oilers	0	0	0
Locomotive Engineers	3	1	2
Locomotive Firemen and Hostlers	0	0	0
Locomotive Maintenance Employees	0	0	0
Longshoremen	0	0	0
Machinists	1	0	1
Maintenance of Way Employees	3	1	2
Marine Service Employees	0	0	0
Mechanical Department Foremen and/or Supervisor of Mechanics	0	0	0
Operating and Non-Operating Employees	1	1	0
Police Officers Below the Rank of Captain	0	0	0
Power Directors (Supervisors)	0	0	0
Railroad Freight Loaders and Handlers	0	0	0
Sheet Metal Workers	0	0	0
Shop Crafts	1	0	1
Signal & Communication Maintainers	1	0	1
Signalmen	1	0	1
Subordinate Officials in the Maintenance of Way Dept	0	0	0
Subordinate Officials in the Maintenance of Equipment Department	0	0	0
Subordinate Officials in the Maintenance of Way and Structures Department (B & B)	0	0	0

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TABLE 3 (CONTINUED)

RAILROADS	TOTAL CASES	REPRESENTATION CASES	MEDIATION CASES
Technical Engineers, Architects, Draftsmen and Allied Workers	0	0	0
Train Dispatchers	3	1	2
Train and Engine Service Employees	5	4	1
Train, Engine and Yard Service Employees	0	0	0
Trainmen	1	0	1
Transportation Operations Employees	0	0	0
Yardmasters	1	0	1
Combined Groups, Railroad	0	0	0
Miscellaneous, Railroad	1	1	0
RAILROAD TOTAL	32	11	21

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TABLE 3 (CONTINUED)

AIRLINES	TOTAL CASES	REPRESENTATION CASES	MEDIATION CASES
Cockpit Crew Members	0	0	0
Engineers and Related Employees	1	1	0
Fleet and Passenger Service Employees	1	0	1
Fleet Service Employees	3	2	1
Flight Attendants	11	6	5
Flight Deck Crew Members	3	1	2
Flight Dispatchers	3	1	2
Flight Engineers	0	0	0
Flight Kitchen and Commissary Employees	1	0	1
Flight Simulator Engineers	0	0	0
Flight Crew Training Instructors	0	0	0
Flight Instructors	1	1	0
Ground School Instructors	2	1	1
Maintenance Instructors	1	1	0
Maintenance Technical Trainers	1	1	0
Maintenance Training Specialists	0	0	0
Mechanics and Related Employees	8	2	6
Office Clerical Employees	0	0	0
Passenger Service Employees	2	2	0
Pilots	5	2	3
Reservation & Ticket Agents	1	0	1
Stock and Stores Employees	3	2	1
Technicians	1	0	1
Combined Groups, Airlines	0	0	0
Miscellaneous, Airlines	3	3	0
AIRLINE TOTAL	51	26	25
GRAND TOTAL, RAILROADS AND AIRLINES	83	37	46

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**TABLE 4: REPRESENTATION
CASES BY CRAFT OR CLASS**

RAILROADS	NUMBER OF CASES	NUMBER OF CRAFT OR CLASS DETERMINATIONS	NUMBER OF EMPLOYEES	PERCENT¹ OF EMPLOYEES INVOLVED
Clerical Office, Station and Storehouse Employees	1	1	5	..
Carmen	1	1	14	..
Electrical Workers	0	0	0	0
Locomotive Engineers	1	1	6	..
Locomotive Firemen and Hostlers	0	0	0	0
Locomotive Maintenance Employees	0	0	0	0
Machinists	0	0	0	0
Maintenance of Way Employees	1	1	12	..
Operating/Non-Operating Employees	1	1	8	..
Sheet Metal Workers	0	0	0	0
Signalmen	0	0	0	0
Train Dispatchers	1	1	23	..
Train and Engine Service Employees	4	4	49	..
Train, Engine and Yard Service Employees	0	0	0	0
Transportation Operations Employees	0	0	0	0
Yardmasters	0	0	0	0
Combined Groups, Railroad	0	0	0	0
Miscellaneous, Railroad	1	1	13	..
RAILROAD TOTAL	11	11	130	..

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TABLE 4 (CONTINUED)

AIRLINES	NUMBER OF CASES	NUMBER OF CRAFT OR CLASS DETERMINATIONS	NUMBER OF EMPLOYEES	PERCENT OF EMPLOYEES INVOLVED
Cockpit Crew Members	0	0	0	0
Engineers and Related Employees	1	1	346	..
Fleet and Passenger Service Employees	0	0	0	0
Fleet Service Employees	2	2	15,647	18
Flight Attendants	7	7	25,575	29
Flight Crew Training Instructors	0	0	0	0
Flight Deck Crew Members	1	1	12,063	14
Flight Dispatchers	1	1	115	..
Flight Engineers	0	0	0	0
Flight Simulator Engineers	1	1	230	..
Ground School Instructors	1	1	189	..
Maintenance Training Specialists	1	1	6	0
Mechanics and Related Employees	2	2	327	..
Office Clerical Employees	0	0	0	0
Passenger Service Employees	2	2	18,035	20
Pilots	2	2	394	..
Stock and Stores Employees	2	2	698	1
Combined Groups, Airlines	0	0	0	0
Miscellaneous, Airlines	3	3	46	..
AIRLINE TOTAL	26	26	73,671	84
GRAND TOTAL, RAILROADS AND AIRLINES	37	37	73,801	84

¹ Percent listing for each group represents the percentage of the 88,029 employees involved in all railroad and airline cases during fiscal year 2012.
(..) Less than one percent.

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**TABLE 5: CERTIFICATIONS
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	3	37	..	2	13	..	5	50	..
Proved Authorizations	0	0	0	0	0	0	0	0	0
REPRESENTATION CHANGED									
Elections	2	40	..	0	0	0	2	40	..
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	5	77	..	2	13	..	7	90	..
AIRLINES									
REPRESENTATION ACQUIRED									
Elections	2	3,078	4	0	0	0	2	3,078	4
Proved Authorizations	0	0	0	0	0	0	0	0	0
REPRESENTATION CHANGED									
Elections	5	32,444	37	0	0	0	5	32,444	37
Proved Authorizations	0	0	0	0	0	0	0	0	0
REPRESENTATION UNCHANGED									
Elections	3	513	..	0	0	0	3	513	..
Proved Authorizations	0	0	0	0	0	0	0	0	0
TOTAL, AIRLINES	10	36,035	41	0	0	0	10	36,035	41
TOTAL, COMBINED RAILROADS AND AIRLINES	15	36,112	41	2	13	..	17	36,125	41

NATIONAL MEDIATION BOARD

ANNUAL PERFORMANCE
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**TABLE 6: STRIKES IN THE
AIRLINE INDUSTRY**

None

**TABLE 7: STRIKES IN THE
RAILROAD INDUSTRY**

None

**TABLE 8: PRESIDENTIAL
EMERGENCY BOARDS
(RLA, SECTION 10)**

NR	CARRIER	UNIONS	CRAFT/CLASS	CREATED	CLOSED
243	National Carriers Conference Committee (NCCC)	TCU, TWU, IAM, ATDA, IBEW, and RLBC (BLET, BMWE, BRS, NCFO, SMWIA)	Multiple	10-06-11	10-06-11

**TABLE 9: PRESIDENTIAL
EMERGENCY BOARDS
(RLA, SECTION 9A)**

None

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CASE RECORD

1A. AIRLINE MEDIATION CASES DOCKETED

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CARRIER	UNION	CRAFT/CLASS
Air Wisconsin Airlines Corporation	TWU	Dispatchers
Allegiant Air	TWU	Flight Attendants
Aviation Safeguards	SEIU	Fleet & Passenger Service Employees
Bahamasair Holdings Limited	IAM	Mechanics & Related Employees
British Airways	IAM	Reservation & Ticket Agents
Continental Airlines	IAM	Ground School Instructors
Continental Airlines	IBT	Mechanics & Related Employees
Continental Micronesia	IBT	Mechanics & Related Employees
ExpressJet Airlines, Inc.	IBT	Mechanics & Related Employees
ExpressJet Airlines, Inc.	TWU	Dispatchers
North American Airlines	IBT	Flight Attendants
Piedmont Airlines	CWA	Fleet & Passenger Service Employees
Southwest Airlines	TWU	Ramp Agents
Sun Country Airlines, Inc.	ALPA	Pilots
Sun Country Airlines, Inc.	IBT-AIR	Flight Attendants
US Airways	IAM	Fleet Service Employees
World Airways	IBT	Cockpit Crew Members

NATIONAL MEDIATION BOARD

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1B. RAILROAD MEDIATION CASES DOCKETED

CARRIER	UNION	CRAFT/CLASS
Belt Railway Company of Chicago	UTU	Train & Engine Service Employees
Bessemer and Lake Erie	BMWED	Maintenance of Way Employees
Bessemer and Lake Erie	TCU-CARMEN	Carmen
Chicago, Central and Pacific Railroad	TCU-CARMEN	Carmen
Grand Trunk Western Railroad Company	BMWED	Maintenance of Way Employees
Grand Trunk Western Railroad Company	TCU-CARMEN	Carmen
Illinois Central Railroad	BMWED	Maintenance of Way Employees
Illinois Central Railroad	TCU-CARMEN	Carmen
Illinois Central Railroad	UTU	Yardmasters
Lake Superior & Ishpeming Railroad	TCU	Ore Haulage Workers
Metro North Commuter Railroad	TCU	Supervisors of Maintenance of Way Dept.
Metro North Railroad (MTA)	ACRE	Conductors & Assistant Conductors
Metro North Railroad (MTA)	ACRE	Engineers
Metro North Railroad (MTA)	ACRE	Power Directors (Supervisors)
Metro North Railroad (MTA)	ACRE	Signalmen
Metro North Railroad (MTA)	ACRE	Traffic Controllers
Metro North Railroad (MTA)	ACRE	Yardmasters
Metro North Railroad (MTA)	IAM	Machinists
Metro North Railroad (MTA)	IBEW	Electrical Workers
Metro North Railroad (MTA)	IBEW	Foremen
Metro North Railroad (MTA)	NCFO	Laborers
Metro North Railroad (MTA)	TWU	Bartenders
Metro North Railroad (MTA)	TWU	Carmen
National Railroad Passenger Corporation	RLBC	Signalmen
National Railroad Passenger Corporation	UTU	Train Service Employees
Northeast Illinois Regional Commuter Railroad Corporation	UTU	Train Service Employees
Ohio Central Railroad	BLET	Train & Engine Service Employees
Pan Am Railways	BLET	Locomotive Engineers
Port Authority Trans-Hudson Corporation	IBEW	Electrical Workers
Southeastern Pennsylvania Transportation Authority	UTU	Conductors & Assistant Conductors
Union Railroad Company	UTU	Trainmen
Western Railroad Company	UTU	Conductors
Wheeling & Lake Erie Railway	BLET	Locomotive Engineers
Wheeling & Lake Erie Railway	BLET	Trainmen
Wisconsin Central Ltd.	BLET	Locomotive Engineers
Wisconsin Central Transportation Corporation	TCU-CARMEN	Carmen

NATIONAL MEDIATION BOARD

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1C. AIRLINE MEDIATION CASES CLOSED

CARRIER	UNION	CRAFT/CLASS
Air Methods Corporation	OPEIU	Flight Deck Crew Members
Air Transport International LLC	ALPA	Flight Deck Crew Members
Air Wisconsin Airlines Corporation	AFA	Flight Attendants
Air Wisconsin Airlines Corporation	IAM	Mechanics and Related Employees
American Airlines	APFA	Flight Attendants
American Airlines	TWU	Dispatchers
American Airlines	TWU	Fleet Service Employees
American Airlines	TWU	Mechanics and Related Employees
American Airlines	TWU	Stock Clerks
American Airlines	TWU	Technicians
American Eagle	TWU	Fleet Service Employees
British Airways	IAM	Reservation & Ticket Agents
CommutAir	ALPA	Pilots
Continental Airlines	IAM	Ground School Instructors
Continental Airlines	IBT	Mechanics & Related Employees
Continental Micronesia	IBT	Mechanics & Related Employees
LSG Sky Chefs	Unite	Flight Kitchen and Commissary Employees
Midwest Airlines	ALPA	Pilots
Omni Air International	IBT	Pilots
PSA Airlines, Inc.	AFA	Flight Attendants
Ryan International Airlines	AFA	Flight Attendants
Southwest Airlines	TWU	Dispatchers & Assistant Dispatchers
United Airlines	AFA	Flight Attendants
United Airlines	IBT	Mechanics & Related Employees
US Airways	IAM	Mechanics & Related Employees

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1D. RAILROAD MEDIATION CASES CLOSED

CARRIER	UNION	CRAFT/CLASS
De Queen & Eastern Railroad Company	ATDD	Maintenance of Way Employees
Great Western Railway of Colorado, LLC	BLET	Locomotive Engineers
Illinois Central Railroad	BRS	Signalmen
Illinois Central Railroad	UTU	Yardmasters
National Carriers Conference Committee	ATDD	Train Dispatchers
National Carriers Conference Committee	IAM	Machinists
National Carriers Conference Committee	IBEW	Electrical Workers
National Carriers Conference Committee	RLBC	Boilermakers
National Carriers Conference Committee	TCU	Carmen
National Carriers Conference Committee	TCU	Clerks
National Carriers Conference Committee	TWU	Carmen
New York New Jersey Rail, LLC	SIU	Train & Engine Service Employees
North Carolina & Virginia Railroad	IAM	Maintenance of Way Employees
Pacific and Arctic Railway and Navigation Company	IBT	Shop Crafts
Panhandle Northern Railroad	BLET	Locomotive Engineers
Port Authority Trans-Hudson Corporation	IBEW	Electrical Workers
Progressive Rail	UTU	Conductors
Stillwater Central Railroad	UTU	Trainmen
Western Railroad Company	UTU	Conductors
Wisconsin Central Ltd.	ATDD	Train Dispatchers
Wisconsin Central Ltd.	BRS	Signal & Communications Maintainers

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2A. ADR CASES DOCKETED

CASE TYPE	CARRIER/ENTITY	UNION	GROUP
F	Air Methods Corporation	OPEIU	--
F	CSX Transportation	MultiU	Multiple Crafts
F	Department of Labor	--	--
F	Northeast Illinois Regional Commuter Railroad Corporation	UTU	--
F	Pinnacle Airlines, Inc.	ALPA	Pilots
F	Sun Country Airlines, Inc.	TWU	Dispatchers
F	United Airlines	IAM	Multiple Crafts
GM	Bahamasair Holdings Limited	IAM	Mechanics & Related Employees
GM	British Airways	IAM	Reservation & Ticket Agents
GM	Delta Airlines	IAM	Multiple Crafts
GM	Horizon Air Industries, Inc.	AFA	--
GM	Southwest Airlines	TWU	Flight Crew Training Instructors
GM	Union Pacific Railroad	BLET	Engineers
OP	--	TWU	--
T	--	ALPA	Pilots
T	--	IAM	Ramp & Store Employees [AL c/c]
T	--	IAM	Machinists
T	--	IAM	Multiple Crafts
T	--	IAM	Multiple Crafts
T	All railroads	--	Multiple Crafts
T	All railroads	--	Multiple Crafts
T	All railroads	MultiU	--
T	Bahamasair Holdings Limited	IAM	Mechanics & Related Employees
T	British Airways	IAM	Reservation & Ticket Agents
T	CSX Transportation	--	--
T	CSX Transportation	--	--
T	Dominican University	--	--
T	Korean Delegation	--	--
T	Northeast Illinois Regional Commuter Railroad Corporation	UTU	--
T	United Airlines	IAM	Multiple Crafts
T-GM	PSA Airlines, Inc.	--	Pilots
T-ODR	Ryan International Airlines	AFA	Flight Attendants

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2A. ADR CASES CLOSED

CASE TYPE	CARRIER/ENTITY	UNION	GROUP
F	Air Methods Corporation	OPEIU	--
F	CSX Transportation	MultiU	Multiple Crafts
F	Department of Labor	--	--
F	Hawaiian Airlines	AFA	Flight Attendants
F	Northern Indiana Commuter Transportation district	UTU	Conductors
F	World Airways	IBT	Crew Members
GM	Air Transport International LLC	ALPA	Pilots
GM	Alaska Airlines	ALPA	Pilots
GM	ASTAR Air Cargo	ALPA	Pilots
GM	Bahamasair Holdings Limited	IAM	Mechanics & Related Employees
GM	Delta Airlines	IAM	Multiple Crafts
GM	Horizon Air Industries, Inc.	AFA	--
GM	PSA Airlines, Inc.	AFA	Flight Attendants
GM	USA 3000 Airlines	IBT	Pilots
T	--	--	Multiple Crafts
T	--	IAM	Ramp & Store Employees [AL c/c]
T	--	IAM	Machinists
T	All railroads	MultiU	--
T	American Eagle	AFA	Flight Attendants
T	Bahamasair Holdings Limited	IAM	Mechanics & Related Employees
T	British Airways	IAM	Reservation & Ticket Agents
T	CSX Transportation	--	--
T	CSX Transportation	--	--
T	Dominican University	--	--
T	Korean Delegation	--	--
T	Northeast Illinois Regional Commuter Railroad Corporation	UTU	--
T	United Airlines	IAM	Machinists & Aerospace Workers
T-GM	PSA Airlines, Inc.	--	Pilots
T-ODR	Ryan International Airlines	AFA	Flight Attendants

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3A. AIRLINE REPRESENTATION CASES DOCKETED

CARRIER	UNION	CRAFT/CLASS
Aer Lingus	AFA-CWA	Flight Attendants
Aircraft Services Int'l	SEIU, USWW	Fleet Service
AirTran Airways	AMTTI	Maintenance Technical Trainers
Allegiant Air	IBT	Pilots
American Airlines	CWA	Passenger Service
American Airlines	UTU	Crew Track Analyst/Scheduler
Atlantic Southeast Airlines	AFA, IAM	Flight Attendants
CalStar	OPEIU	Pilots
Delta Air Lines	AFA	Flight Attendants
Delta Air Lines	IAM	Stock and Stores
Delta Air Lines	IAM	Fleet Service
Delta Air Lines	IAM	Passenger Service
Delta Air Lines	IAM	Plant Protection Guards
Horizon Airlines	IAM	Stock and Stores
Horizon Airlines	AMFA, IBT	Mechanics & Related
Liberty Helicopters	Individual	Mechanics & Related
NetJet Services	IBT	Maintenance Controllers
Omni Air Int'l	AFA-CWA	Flight Attendants
Pinnacle System	TWU	Flight Dispatchers
Pinnacle System	AFA-CWA	Flight Attendants
Republic/Frontier Airlines	IBT, AFA-CWA	Flight Attendants
Southeast Airlines	AMFA	Technical Instructors & Sr. Technical Instructors
Southwest Airlines	AMFA, IBT	Mechanics & Related Employees
United Air Lines/ Continental Airlines	ALPA	Flight Instructors
United Air Lines/ Continental Airlines	ALPA	Flight Deck Crewmembers
United Air Lines/ Continental Airlines	IAM	Passenger Service
United Air Lines/ Continental Airlines	IAM	Maintenance Instructors
United Air Lines/ Continental Airlines	IAM	Ground Instructors
Virgin America	TWU	Flight Attendants

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3B. RAILROAD REPRESENTATION CASES DOCKETED

CARRIER	UNION	CRAFT/CLASS
Birmingham Terminal Railway	TCU/IAM	Carmen
Buffalo & Pittsburgh Railroad	UTU	Clerical, Office & Storehouse Employees
Columbia & Cowlitz Railway	UTU	Operating/Non-Operating Employees
Massachusetts Coastal Railroad	BLET	Locomotive Engineers and Conductors
Missouri & Northern Arkansas RR	UTU	Maintenance of Way Employees
New Orleans & Gulf Coast Railway	NO&GCTU	Trainmen
Port Authority Trans-Hudson	Individual	Operations Examiners
San Luis & Rio Grande Railroad	UTU	Train & Engine Service Employees
Sand Springs Railway	BMWE, Individual	Track Department Employees
South Kansas & Oklahoma Railroad	UTU	Train & Engine Service Employees
Stillwater Central Railroad	Hobos	Train & Engine Service Employees
Texas & Northern Railway	SMART	Operating & Maintenance Employees
Wisconsin Central Railroad	ATDA	Train Dispatchers

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3C. AIRLINE REPRESENTATION CASES CLOSED

CARRIER	UNION	CRAFT/CLASS	DISPOSITION
Aer Lingus	AFA-CWA	Flight Attendants	Dismissal
Aircraft Services Int'l	SEIU,USWW	Fleet Service	Dismissal-WDI
AirTran Airways	AMTTI	Maintenance Technical Trainers	FUI-Dismisssal
Allegiant Air	IBT	Pilots	Certification
Atlantic Southeast Airlines	AFA, IAM	Flight Attendants	Certification
CalStar	OPEIU	Pilots	Dismissal
Delta Air Lines	AFA	Flight Attendants	FUI-Dismisssal
Delta Air Lines	IAM	Stock and Stores	FUI-Dismisssal
Delta Air Lines	IAM	Fleet Service	FUI-Dismisssal
Delta Air Lines	IAM	Passenger Service	FUI-Dismisssal
Delta Air Lines	IAM	Plant Protection Guards	Dismissal-WDI
Horizon Airlines	IAM	Stock and Stores	Certification
Horizon Airlines	AMFA, IBT	Mechanics & Related	Certification
Liberty Helicopters	Individual	Mechanics & Related	Dismissal-WDI
NetJet Services	IBT	Maintenance Controllers	FUI-Dismisssal
Omni Air Int'l	AFA-CWA	Flight Attendants	Certification
Pinnacle System	TWU	Flight Dispatchers	Dismissal-WDI
Pinnacle System	AFA-CWA	Flight Attendants	Certification
Southeast Airlines	AMFA	Technical Instructors & Sr. Technical Instructors	FUI-Dismisssal
United Air Lines/ Continental Airlines	IFPTE	Engineers and Related	Dismissal
United Air Lines/ Continental Airlines	ALPA	Flight Instructors	FUI-Dismisssal
United Air Lines/ Continental Airlines	ALPA	Flight Deck Crewmembers	FUI-Certification
United Air Lines/ Continental Airlines	IAM	Passenger Service	Certification
United Air Lines/ Continental Airlines	IAM	Maintenance Instructors	Certification
United Air Lines/ Continental Airlines	IAM	Ground Instructors	FUI-Certification
Virgin America	TWU	Flight Attendants	Dismissal

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3D. RAILROAD REPRESENTATION CASES CLOSED

Carrier	Union	Craft/Class	Disposition
Birmingham Terminal Railway	TCU/IAM	Carmen	Certification
Buffalo & Pittsburgh RR	UTU	Clerical, Office & Storehouse Employees	Certification
Columbia & Cowlitz Railway	UTU	Operating/ Non-Operating Employees	Certification
Massachusetts Coastal RR	BLET	Locomotive Engineers & Conductors	Dismissal-WDI
Missouri & Northern Arkansas RR	UTU	Maintenance of Way Employees	Certification
New Orleans & Gulf Coast Railway	NO&GCTU	Trainmen	Certification
Port Authority Trans-Hudson	Individual	Operations Examiners	Dismissal
San Luis & Rio Grande RR	UTU	Train & Engine Service Employees	Certification
South Kansas & Oklahoma RR	UTU	Train & Engine Service Employees	Dismissal
Stillwater Central Railroad	Hobos	Train & Engine Service Employees	Certification
Wisconsin Central Railroad	ATDA	Train Dispatchers	Dismissal-WDI

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 collective bargaining dispute to engage in economic "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

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

E-FILLING 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.

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 voluntary, 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

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

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
ACRE	Association of Commuter Rail Employees
ADR	Alternative Dispute Resolution
ADRS	Alternative Dispute Resolution Services
AE	American Eagle
AFA	Association of Flight Attendants
AFL-CIO	American Federation of Labor and Congress of Industrial Organizations
AFR	Air Freight Representatives
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
AMFA	Aircraft Mechanics Fraternal Association
AMTRAK	National Railroad Passenger Corporation (NRPC)
AMTTI	AirTran Maintenance Technical Training Instructors
APA	Allied Pilots Association
APFA	Association of Professional Flight Attendants
ARASA	America Railway and Airway Supervisors Association
ARB	Arbitration
ATDA	American Train Dispatchers Association
ATDD	American Train Dispatchers Department (BLET)
BCW	Brotherhood of Communication Workers
BLET	Brotherhood of Locomotive Engineers and Trainmen
BMWE	Brotherhood of Maintenance of Way Employees [Employees]
BMWED	Brotherhood of Maintenance of Way Employees Division
BNSF	Burlington Northern and Sante Fe
BPD	Bureau of Public Debt
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
CP	Canadian Pacific
CRU	Coalition of Rail Unions
CSR	Customer Service Representative
CSX/CSXT	CSX Transportation, Inc.
CWA	Communication Workers of America
D&H	Delaware and Hudson
DC	District of Columbia

DEN	Denver International Airport
EO	Executive Order
F-CASE	An ADR designation for Facilitation cases (F and F-ODR)
F&O	Firemen & Oilers
FAA	Federal Aviation Association
FAR	Federal Acquisition Regulation
FFMIA	Federal Financial Management Improvement Act
FISMA	Federal Information Security Management Act
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
HERE	Hotel Employees and Restaurant Employees International Union
IAM	International Association of Machinists & Aerospace Workers
IAMAW	International Association of Machinists & Aerospace Workers
IBEW	International Brotherhood of Electrical Workers
IBT	International Brotherhood of Teamsters
IFPTE	International Federation of Professional & Technical Engineers
IHB	Indiana Harbor Belt
JD	Juris Doctor (Doctor of Law)
MBCR	Massachusetts Bay Commuter Railroad
MD	Maryland
MI	Michigan
MPI	Mileage Plus, Inc.
MRL	Montana Rail Link
NA	Not Applicable
NCCC	National Carrier's Conference Committee
NCFO	National Conference of Firemen and Oilers
NJASAP	NetJets Association of Shared Aircraft Pilots
NLRA	National Labor Relations Act
NLRB	National Labor Relations Board
NMB	National Mediation Board
NO&GCTU	New Orleans & Gulf Coast Trainmen's Union
NPRM	Notice of Public Rulemaking
NRAB	National Railroad Adjustment Board
NRLC	National Railway Labor Conference
NRPC	National Railroad Passenger Corporation (AMTRAK)
OA	Office of Administration
OAS	Office of Arbitration Services

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ODR	Online Dispute Resolution
OLA	Office of Legal Affairs
OMAS	Office of Mediation and ADR Services
OMB	Office of Management and Budget
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
ORD	Chicago O'Hare Int'l Airport
OVC	Online Video Conferencing
PAR	Pan Am Railways
PATH	Port Authority Trans Hudson
PEB	Presidential Emergency Board
PLB	Public Law Board
POA&M	Plans of Action and Milestones
PRLBC	Passenger Rail Labor Bargaining Coalition
PSA	PSA Airlines
R-CASE	An NMB designation for a Representation case
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
SEIU	Service Employees Int'l Union
SEPTA	Southeastern Pennsylvania Transportation Authority
SFFAC	Statements of Federal Financial Accounting Concepts
SIU	Seafarers International Union of North America
SMART	Merger of SMWIA and UTU
SMWIA	Sheet Metal Workers International Union
SOP	Standard Operating Procedures
SORS	Station Operations Representatives
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
USA	United States of America
USA	United Steelworkers of America
USWW	United Service Workers – West (SEIU)
UTU	United Transportation Union
WDI	Withdrawn During Investigation
YDM	Yardmasters

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