

Don't Mourn the Loss of Coal – We Need to Organize!

'Coal is the backbone of this company, during the slowdown in 2008 it was what kept us going when intermodal went downhill...' Powder River coal has been a huge source of revenue for UP and BNSF for a long time and it seemed a given that it would continue to be forever. The slowdown in 2015-2016 is worse than in 2008-2009. About 60% of the traffic that has been lost on Class 1 railroads in the last year was coal (Railway Age, May 2016). Furloughs have been especially severe in Wyoming, Nebraska, Iowa, Missouri and Illinois while railroaders are furloughed across the entire country. The downturn has affected many communities and has caused hardships for many railroad families. The current slowdown in coal traffic came as a surprise to many railroad workers even though the carriers knew at least two years in advance that new legislation was going to impact coal volumes. While most people's immediate reaction is to blame President Obama and environmentalists, the fact remains that an abundance of cheap natural gas from fracking is the primary cause for the slowdown. Even if the so-called Clean Power Plan is overturned, most within the coal industry believe that cheap natural gas will prevent coal from ever returning to previous volumes. Although traffic in some terminals has picked up slightly, and some employees are being recalled from furlough, the carriers' 'solutions' to the crisis - run-throughs, terminal closures, relocation, and more furloughs - weigh on many railroaders' minds. It's important for us to understand what is really going on in order to figure out how we can be better prepared to protect ourselves in the case of future downturns. Our unions and the labor movement as a whole must begin strategizing for how to better fight for members in the face of automation, job loss due to changing environmental policy, and unforeseen changes in the industry.

There was a slowdown in coal volumes in 2012-13 and since that time both the mining and railroad industries have done very little to prepare for the coming changes in regulation under the Clean Power Plan. *Railway Age* stated two years ago in June 2014 that, "How the regulations, if implemented, will affect the U.S. railroad industry is unclear at this point. US Class I coal loadings and revenues have declined in the past few years, largely due to low natural gas prices." An article in *Coal Age* from 12/22/15 stated, "Chief among the reasons for the coal market's decline in 2012 has been cheap natural gas." Natural gas is the primary reason there aren't as many coal trains. It is true that it is easier for power plants to comply with new regulations by switching over from coal, but price is still the determining factor. While some refuse to believe this, analysts inside the energy and railroad industries know that it is the case. A July 2015 article on railroads and coal from the American Association of Railroads states: "Recently, U.S. natural gas production has surged due to 'fracking,' resulting in lower natural gas prices to electricity generators and increasing the competitiveness of electricity generated from natural gas vis-à-vis electricity generated from coal. In addition, increasingly stringent environmental regulations have targeted coal-fueled generation. Consequently, electricity generated from coal – and associated rail coal volumes – have fallen." Some believe that simply getting the Clean Power Plan overturned will 'make everything great again.' Those within the coal industry know that it will not be this simple. In a *Casper Star Tribune* article 2/13/16 ("Why a Supreme Court victory XX may not be enough to save coal") states: "To be sure, there is little doubt a reversal of the Clean Power Plan would benefit coal. The plan calls for curbing carbon emissions by a third in 14 years, largely by imposing more stringent pollution standards on coal plants...But even a reversal of the carbon regulations will not save the industry from the low natural gas prices that have battered coal in recent years." The railroads knew this legislation was coming but they did not expect the downturn in coal to be so severe. They also have made little attempt to replace coal traffic with new business in other areas.

All the Class 1 carriers have responded to the downturn by looking for ways to cut costs. Additional throttle restrictions, 40 mph coal trains, increasing dispatchers' workload and signs saying coffee is 'only for on-duty employees' are one side of the cost cutting; furloughs, terminal closures and run-throughs are the other. The carriers are more interested in saving money, cutting employees, and closing subdivisions than they are in doing what is necessary for the survival of every business - to expand their customer base, and for railroads, to haul freight. It is the same in the coal industry. The fight the mining and railroad industries are pursuing to overturn new coal regulations are about protecting *their* profits, not about protecting *our* jobs. In another article from Casper ("As coal company profits fell, mining firms rewarded executives handsomely" 4/11/16) points out that miners are the ones actually suffering from the downturn. "Peabody and Arch laid off a total of 460 miners at their North Antelope Rochelle and Black Thunder mines on the same day last month. The companies have not said how much the cuts will save. But based on the average annual coal miner's wage of \$82,000, the layoffs would save the pair around \$37 million in annual wages, or 84% of the \$44 million Peabody and Arch paid their executives teams in 2014. Alpha is seeking to cut retiree benefits for some 4,580 nonunion miners and spouses. That move is expected to save \$3 million annually, or about 14% of the \$20.8 million Alpha paid its management in 2014."

While it is true that more coal trains would mean more railroaders called back to work, from the view of the carriers it is only a side effect, and the long term outlook for coal is not good. Railroaders and all workers in this country need to start thinking about what we must do to protect our interests long term as the economy and technology are rapidly changing. Unlike Powder River miners, most railroaders have unions and we need to make use of them to start preparing to fight for our jobs in the face of automation and other changes. Miners in Wyoming and Appalachia have been hit much harder by the coal slowdown than railroad workers, facing additional issues of automation and changes in the economy due to environmental regulations. Some think the answer lies in trying to fight regulation, but the plain reality is there will be more to come as concern over climate change increases rapidly. In the railroad industry we are fortunate that our fate is not tied only to coal or any other single commodity. There is a lot of freight that needs to be moved and rail is the most cost effective and energy efficient way to move freight and people. Increases in environmental regulation and fuel prices will push more freight from trucks to trains. Many miners know that much of the work will not come back; in the May 2016 issue of *Railway Age*, the editor-in-chief proclaimed, "Powder River Basin coal may be gone in 10 years."

Because so many TY&E at BNSF are furloughed, some will argue that the 2014 Master Conductor tentative agreement on the former BN properties would have protected trainmen who are now furloughed. In the short term this might have been true.

We cannot be sure that the company would have actually honored the agreement so that those currently furloughed would be sitting at home earning full pay on a retention board. What we do know is what *did* happen. Trainmen on the former BN properties *did not want* the Master Conductor agreement and voted it down five to one. Conductors on other railroads did not want this agreement either and there was an outpouring of 'Vote No!' support from across the country, as the tentative agreement would have immediately endangered railroaders' jobs at other carriers. Neither railroad workers nor BNSF thought the slowdown in coal would be this sudden, but it is a fact that with the Master Conductor agreement we would have definitely lost most road conductor jobs *forever*. Some furloughed TY&E are already being called back to work in the terminals most affected by the coal slowdown. Saying that 'we should've just taken the agreement' basically amounts to saying that we 'should've allowed the carrier to cut off our arms because they were going to provide very high quality bandaging for the stumps.' At least we still have our arms! We still have conductors in the cab. Hopefully soon we will have most furloughed railroaders back to work. With two-person crews, there are more jobs for furloughed TY&E to come back to than under the Master Conductor agreement.

As mining companies in states such as Kentucky and Wyoming discuss whether they will 'Stop Work' and refuse to begin implementing measures of the 'illegal' Clean Power Plan, it is important for workers in affected industries to think about what we are going to do to protect ourselves. The mining and railroad industries are pursuing a strategy that centers around protecting their profits, not our jobs, communities, air or water. If you don't believe this, then consider their recent actions to eliminate jobs, including closing terminals to save a few dollars in wages while dislocating families. The proposed run-throughs will be exhausting, unsafe, and ultimately mean that we spend more time on the train for the same pay. Instead of labor siding with the company and seeing their fight as our fight, we need to look to examples of other industrial workers protecting their interests. We can work through our unions to let the company know that we are not going to sacrifice our safety to improve their numbers in shareholder meetings. We can look to examples of the railroaders who came before us to secure the protections that we benefit from. We can follow the example of Pennsylvania miners who knew that the closed mines were never going to open again formed a group called C.O.A.L. - Career Opportunities After Layoffs - to help each other find new jobs, extend their unemployment benefits, and get retraining for a new job (Allegheny Front 6/3/16).

Most importantly we *cannot* simply adopt the attitude that 'it's their railroad, they can do what they want ... it is what it is ...' While we may get frustrated at times with our unions and see only their shortcomings, it is essential to remember that the railroads did not found our unions - our unions were created by railroad workers themselves who knew that their safety, quality of life, and paycheck were more important than maximizing the company's profits. There is no easy solution but we will only find it through working together as union members. Asking for protections from the government has not been the best solution for labor in this country dating all the way back to Taft-Hartley. The government is neither the solution nor the source of all our problems. The upcoming election - or any election - will neither save, nor break the coal industry. We *do* need to start thinking ahead for how we will meet the looming challenges of automation, job changes and unemployment, and how we can overcome them ourselves. Don't mourn the loss of coal traffic - organize!

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