



September 12, 2022

The Honorable Nancy Pelosi  
Speaker  
United States House of Representatives  
Washington, DC 20515

The Honorable Chuck Schumer  
Majority Leader  
United States Senate  
Washington, DC 20510

The Honorable Kevin McCarthy  
Republican Leader  
United States House of Representatives  
Washington, DC 20515

The Honorable Mitch McConnell  
Republican Leader  
United States Senate  
Washington, DC 20510

Dear Speaker Pelosi, Majority Leader Schumer, and Republican Leaders McConnell and McCarthy:

I write to you today regarding a matter of urgency facing the American people, economy, and business community. Although significant progress has been made, negotiations between the nation's largest freight railroads and twelve unions are reaching a critical moment. Absent voluntary agreements with each union or an intervention by Congress, we fear a national strike is highly likely at the conclusion of the current "cooling off" period that ends on September 16. However, under current law only Congress may intervene to prevent a strike if the parties fail to reach an agreement. Should the parties fail to reach a voluntary agreement, we urge you to implement the recommendations of the Biden Administration's Presidential Emergency Board (PEB).

A shutdown of the nation's rail service would have enormous national consequences. It would lead to perishable foods such dairy, fruits, and vegetables spoiling at their points of origin, would halt Amtrak service for approximately 12.2 million daily riders in 46 states, would disrupt materials and goods being delivered to factories and ports, and would inhibit the transport of heating fuel and other important fuels and chemicals. These are only a few examples of the damage of a rail shutdown. Even the contingency planning for a service shutdown that is already underway presents its own concerns as it requires days of winding down service to clear rail networks and threatens to send equity and commodity markets spiraling due to uncertainty. Altogether, the costs of such a shutdown to the U.S. economy could come out to \$2 billion per day – and U.S. consumers would see this impact through shortages of many key goods and higher prices.

The current negotiations between the railroads and the labor unions began in November 2019. Following a cooling off period after being released from mediation by the National Mediation Board, President Biden appointed a PEB made up of independent experts to develop a framework of recommendations to help both sides reach a new, voluntary agreement. The Chamber applauded the President's actions by selecting a panel of neutral, independent arbitrators that had served with distinction in previous disputes for both Democratic and Republican administrations.

While the PEB's recommendations did not satisfactorily address all of the issues raised by both sides, they did put forth a viable framework for compromise. Indeed, in the weeks following the PEB's report, most of the 12 unions did reach tentative agreements with the carriers that tracked the PEB recommendations, including a 24 percent wage increase (including an immediate increase of 14.1 percent) and an immediate lump sum payment averaging \$11,000. However, negotiations with some of the unions are still outstanding as we approach the end of the 30-day "cooling off" period, and it is not clear how their concerns can be addressed after making their case directly to the PEB. The Chamber is grateful to the professionalism and efforts of the parties that did reach agreements during the bargaining process, but make no mistake, should agreements not be reached with all twelve unions, then all unions would strike.

We continue to believe that a voluntary agreement by all parties is the best outcome, but it is now clear that Congress may need to intervene. Based on the history of these negotiations and the opportunity for all parties to have their concerns heard by the National Mediation Board and the PEB, we contend that the next best outcome is for Congress to impose the recommendations of the PEB. This action is not without precedent, as Congress previously mandated the parties to accept the recommendations of previous PEBs in 1982 and 1986.<sup>1</sup> While not perfect, these recommendations represent the best framework for an agreement that address the most significant concerns for all sides. Otherwise, allowing the negotiations to continue will bring further economic uncertainty to the American business community and consumers.

Thank you for considering our views. We remain hopeful that all sides will reach voluntary agreements in the coming days, but we cannot take the risk of a service shutdown. At this point in time, we are not confident that additional time will result in a different outcome than where we are today. Therefore, if Congress is forced to act, we urge you to implement the recommendations issued by the impartial PEB.

Sincerely,

A handwritten signature in blue ink, appearing to read "Neil L. Bradley", with a large, stylized flourish at the end.

Neil L. Bradley  
Executive Vice President, Chief Policy Officer,  
and Head of Strategic Advocacy  
U.S. Chamber of Commerce

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<sup>1</sup> See Pub. L. 97-262 (Sept. 22, 1982); Pub. L. 99-431 (Sept. 30, 1986)