

## **SURFACE TRANSPORTATION BOARD ISSUES DECISION IN "SPRINGFIELD TERMINAL" RAILROAD LEASE CASES**

Surface Transportation Board (Board) Chairman Linda J. Morgan announced today the Board's issuance of a decision in the "Springfield Terminal" railroad lease cases remanded by the D.C. Circuit Court of Appeals to its predecessor, the Interstate Commerce Commission (ICC), for the response to two questions.

In *Railway Labor Executives' Association v. United States and Interstate Commerce Commission*, 987 F.2d 806 (D.C. Cir. 1993), *reh'g. den.* (Jun. 2, 1993), the court affirmed several ICC decisions in this proceeding, but not the October 4, 1990 decision concerning the "Harris Award," which imposed an implementing agreement that made several changes in the collective bargaining agreements (CBAs) of the individual carriers involved in this transaction. The court remanded two issues for clarification. The court first required clarification of the scope of the "rights, privileges, and benefits" in CBAs that may be entitled to special protection and, specifically, whether the Harris Award modifications to the lessor carriers' CBAs involve any such "rights, privileges, and benefits." The court also asked for clarification as to what public transportation benefits were achieved by the lease transactions that could only be realized by modifying the CBAs.

In deciding the case, the Board applied the definition of "rights, privileges, and benefits," which had become established while this case was pending on remand, to determine that the CBA modifications which the Harris Award required are not protected "rights, privileges, and benefits." [FOOTNOTE 1: The United States Court of Appeals for the District of Columbia Circuit approved the ICC's definition of these terms as referring to "the incidents of employment, ancillary emoluments or fringe benefits—as opposed to the more central aspects of the work itself—pay, rules and working conditions." See *United Transportation Union v. Surface Transportation Board*, 108 F.3d 1425 (1997).] As a result, the Board reaffirmed the decision not to set aside the Harris Award in this respect.

The decision also clarified the transportation benefits that were expected to flow from approval of the lease transactions, and, subsequently, the Harris Award, and found that the evidence developed on remand supported those initial expectations. Accordingly, the Board reaffirmed the decision declining to set aside the Harris Award in all respects.

This decision, while not setting new precedent, constitutes one of the Board's final actions in this long, and sometimes acrimonious, dispute between the railroad and its unions. The Board's decision explains in detail the history of these proceedings that arose when the railroad subsidiaries of Guilford Transportation Industries, Inc. (GTI), entered into a number of transactions resulting in Springfield Terminal becoming the operator of the GTI rail system and in the imposition by the ICC of special labor protection conditions to reflect the reality that these transactions more resembled consolidation than leases of rail lines, as was originally presented to the agency. Today's Board decision resolves the appeal of an implementing agreement imposed by the Harris Award according to those labor protection conditions.

The Board's decision was issued today in *Delaware and Hudson Railway Co.—Lease and Trackage Rights—Springfield Terminal Railway Company*, STB Finance Docket No. 30965 (Sub-Nos. 1 and 2).

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