

Chief of Staff Letter

DECEMBER 15, 2014

The National Mediation Board (NMB) is an independent federal agency charged with promoting the resolution of collective-bargaining, representation and grievance disputes in the railroad and airline transportation industries. The agency is headed by a three- member Board, nominated by the President and confirmed by the Senate. Throughout FY 2014, the Board consisted of three Members: Nicholas Geale, Harry Hoglander, and Linda Puchala. The Board self-designates a Chairman, typically on a yearly basis. In FY 2014, the outgoing Chairman was Linda Puchala, the current Chairman is Harry Hoglander, and the incoming Chairman in July, 2015, will be Nicholas Geale.

During Fiscal Year 2014, the National Mediation Board entered its 80th year of public service, promoting harmonious relationships among management and labor organizations in the airline and railroad industries in America.

The Office of Mediation and ADR Services diligently worked to avoid disruptive work stoppages on commuter rail lines in major metropolitan areas. Through the efforts of NMB mediators, Board Members, and a Presidential Emergency Board, contracts for unions representing commuter rail workers serving New York City and the surrounding area are in place. The final tentative agreement for commuter rail workers serving Philadelphia and the surrounding area is out for ratification as this report is being issued. As we enter FY 2015, collective bargaining for the largest freight railroads looms as a major focus for the Board's mediators. Airline cases have been equally challenging in FY 2014, with the continuation of mergers, seniority integration, and major contract negotiations filling the schedules of the mediators, the legal staff and the Board Members. As the year ended and critical negotiations were threatened by the uncertainty of a Continuing Resolution, NMB mediators used online tools to ensure that work continued: one mediator became a "virtual" presence in negotiations as the parties carried the laptop computer with his video connection from main session to caucus and back.

During FY 2014, the Office of Arbitration Services continued to review and revise the allocation of funds for Section 3 arbitration work. For much of the fiscal year the NMB conducted a pilot program shifting payment for arbitration work from a daily rate basis to a pay-per-case basis. As the year ended, a pilot program using a "submissions only" format and an asynchronous online platform was underway. The results of these pilot programs and other reviews of arbitration practices will result in some major upgrades in the Section 3 process during FY 2015.

During FY 2014, the NMB continued to develop and enhance its cloud computing environment, completing a new mediation case management system and upgrading the agency's Corporate Memory and Knowledge Store capabilities.

As FY 2014 came to a close, the NMB was in the process of finalizing a new succession plan and reviewing the strategic plan to further improve NMB service delivery.

In short, I again can report that notwithstanding the many challenges, in FY 2014 the NMB effectively met its program goals.



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