

CHIEF
OF STAFF
LETTER

November 16, 2015

FY 2015 was a year of significant service and exceptional performance across all of the Offices of the National Mediation Board. Case reports and descriptions of work in Representation, Mediation, and Administration are contained in the text of this report. In the background, behind the case numbers, are some special accomplishments in the areas of Information and Communication Technology (ICT), Section 3 (Arbitration), and Training.

The ICT staff worked with the Office of Arbitration Services, the parties, and the arbitrators to completely revitalize the Arbitrator Work Space (AWS), the one-stop shop for arbitrators and parties engaged in arbitration under the Railway Labor Act. The old AWS was a model for online access to case information, arbitrator caseloads, and for tracking and compensating work by the arbitrators who hear and decide cases in the railroad industry. The new AWS extends the functions of the old system and incorporates controls that significantly improve the delivery of arbitrations services to the parties.

As Section 3 enters FY 2016, significant changes and improvements in the Section 3 process are in place and tracked by the AWS. All cases are now on a pay-per-case basis, allowing for accurate budgeting, and allowing for maximum flexibility in scheduling for the arbitrators. All cases funded before FY 2014 have been decided or withdrawn, leaving the system with no case over 3 years old - this is a condition that has not existed in living Section 3 memory. By the end of FY 2016, all cases funded in FY 2014 will have been cleared, and all cases funded in FY 2015 will be well on the way to being cleared. This will mean that, with new guidelines in place and tracked by the AWS, the maximum "case life" from funding to decision will be 210 days. This has never before been the case in the history of Section 3.

There are challenges left to address. Reduced funding and increased activity by the parties mean that there is beginning to be a backlog of cases waiting to be funded. For this reason, we are calling FY 2016 the "Year of Innovation" in Section 3. Focus groups and working groups made up of representatives of the NMB, the arbitrator community, the carrier grievance handling community, and the organization grievance handling community, will meet and work to find ways to streamline, improve, and reinvent the Section 3 process to ensure that grievances are handled as quickly and fairly as possible.

During FY 2015, ICT and the Office of Arbitration Services continued to work together to make available to the parties an array of online tools to handle grievances without incurring the cost of travel. Web video continued to be available, and during FY 2015 the NMB inaugurated a "documents only" arbitration platform that allowed the parties and the arbitrator to exchange documents and discuss cases using a secure, asynchronous text-based platform that obviated the need to schedule hearings. Both systems remain available in FY 2016.

The Office of Mediation Services and the Office of Arbitration Services collaborated during FY 2015 to make significant strides in the NMB's Grievance Mediation program.

Grievance mediation is significant because cases handled in mediation do not constitute part of the backlog of cases in the system, and they greatly reduce the cost of grievance handling to the parties and to the NMB. In FY 2015, grievance mediation resolved 216 railroad cases that were already in the NMB Section 3 system, and further resolved many cases that had not yet been filed with the NMB.

Railroad grievance handlers estimate that each case taken to arbitration costs the carrier approximately one thousand dollars (\$1,000), and costs the organization approximately two hundred and sixty dollars (\$260). Using these approximate figures, grievance mediation saved the carriers \$216,000 during FY 2015, and grievance mediation saved the organizations \$56,000 during FY 2015. If one takes into consideration the approximately 300 cases resolved before being filed for arbitration, the figures are considerably higher: over half a million dollars in savings for the carriers and over one hundred thirty thousand dollars in savings for the organizations. Significantly for the NMB, clearing the cases in grievance mediation meant that \$136,000 saved by resolving in mediation could be used for other cases in line for arbitration.

In the airline industry, the parties pay the arbitration costs, so the NMB realizes no immediate financial advantage. However, if one calculates the cost of arbitration for the carriers and organizations in the airline industry, the 508 cases resolved in grievance mediation constitute a significant savings to the parties.

Finally, in FY 2015 the NMB continued its innovative training and development partnerships. Agreements with Dominican University, a professor at Temple University, and the Northern Virginia Mediation Service allowed NMB employees to take training and academic courses for no fee. In the case of Dominican University, NMB employees continue to be able to enroll in a master's degree program for half price, with two courses free.

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At Dominican University, in FY 2015, four NMB employees were enrolled in the master's program as a way to further their education in dispute resolution with classes directly applicable to their work at the NMB. 15 NMB staff members were able to take mediation and negotiation courses for no charge, a savings in training costs to the NMB of approximately \$25,000. Further, faculty at Dominican delivered specialized training to the NMB at no charge, saving a further \$8,000. The Dominican IT staff produced a series of video programs on arbitration issues, with recording and editing services, at no charge. And, finally, the Dominican Business Administration Graduate School engaged students in a project to develop a public outreach approach to increase the use of grievance mediation. In exchange, the NMB teaches the mediation and negotiation classes for Dominican (which are mandatory basic training for our mediators), which is a developmental exercise for the mediators as well as a learning experience for students.

The Temple University professor with whom the NMB has a reciprocal agreement is one of the acknowledged experts in conflict coaching, a subject directly related to the work of the NMB. The professor brings her coaching training to the NMB, allowing NMB staff to attend for no charge. This has meant training cost savings of approximately \$18,000 in FY 2015.

Northern Virginia Mediation Service, a local community mediation center, offers training at the NMB, and reserves space for NMB staff at no charge. The NVMS courses cover a range of conflict resolution issues, all of which are directly applicable to the work of the NMB. Over the course of FY 2015, this arrangement has resulted in training cost savings of approximately \$1,000.

As we look back to FY 2015, I can again say that the NMB has used innovative approaches across all of its mission areas to deliver service to the parties and use public money wisely. As we move into FY 2016 - the "Year of Innovation" - we look forward to creatively meeting the challenges of maintaining the Board's traditionally high level of performance.



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