

Railroad Strike Looms

The US Class 1 railroads are facing a possible shutdown due a potential rail strike. The railroads have been negotiating with several rail unions and some deals have been made with 10 out of the 12 rail unions. The two that are left are the biggest of the twelve: The Brotherhood of Locomotive Engineers and Trainmen and the International Association of Sheet Metal Air, Rail, and Transportation Workers.

The cooling off period ends on Friday and there is a potential for a shutdown this weekend. Norfolk Southern Railway has begun to stop accepting new freight. Other rail companies have stopped accepting perishable and time sensitive cargo. This week President Biden has called the two unions to urge them to avoid a work stoppage. Two senators, Richard Burr (R-NC) and Roger Wicker (R-MISS) introduced a resolution to stop a strike or lockout and to codify recommendations of the Presidential Emergency Board.

A rail strike would lead to a serious increase in congestion at the Ports just as congestion has started to ease up a bit. For example, almost 60% of cargo arriving in Los Angeles and Long Beach leave the ports by rail and with a rail strike they will have to sit and take up space until options can be worked out. For cargo that has already moved to rail terminals and moved on, importers and beneficial cargo owners should try to pick them up as soon as possible to avoid being stuck at the rail terminals. We will be watching for further developments in this important situation.



Todd Boice, *President*