

THE SHORTCHANGING OF LABOR

Since the start of the pandemic, news reports, lawmakers, and employers have referred to a socalled "labor shortage" as the cause of disruptions to our economy. Such rhetoric predates the pandemic by years and has particularly been used by employers looking to undermine safety or labor standards by claiming a lack of available workers creates an emergency of one kind or another. The pandemic, along with the resulting supply chain challenges, has only increased the focus on and the frequency of those claims. The truth is that, across our economy, long-standing corporate practices have eroded the pay, benefits, health and safety protections, workplace conditions, and quality of life for millions of working Americans and created strong disincentives for workers to remain with their current employer. The real shortage policymakers should be concerned with is the shortage of quality jobs with good pay and benefits in many of our industries.

There is no shortage of ready and willing workers in this country. That is a myth compounded by the reality that employers are driving working people away from jobs by constantly attacking wages and good benefits, requiring increasingly difficult and grueling work schedules, offering little to no training and re- and upskilling opportunities, providing meager protection against public abuse and assault, and denying workers the right to form and join unions and bargain collectively. In some cases, this is by design. As detailed below, the most egregious bad actors in corporate America have whittled down their workforce and pushed to weaken federal protections to squeeze out every last dollar to benefit a handful of wealthy private equity investors. In other cases, lawmakers have been slow to intervene, while long overdue regulations that would result in safety and quality-of-life improvements have languished. And decades of attacks on unions mean that power has shifted from the hands of working people squarely into those with the most wealth. This has sidelined our ability to radically change the working lives of millions of Americans for the better.

The Transportation Trades Department, AFL-CIO (TTD) and its affiliates have long sounded the alarm about the degradation of workplaces, livelihoods, and collective bargaining rights across all modes of transportation and the importance of unions in remedying these issues. But attempts to undercut the free and fair choice to join a union and the persistent narrative that there is a "labor shortage" rather than a "good jobs shortage" have undermined those efforts. TTD calls on the Senate to pass the Protecting the Right to Organize (PRO) Act and on Congress to adopt the Public Service Freedom to Negotiate Act. We urge the administration to ensure the right to join a union is protected, enforced, and strengthened. TTD also calls on Congress and the administration to reject employers' "labor shortage"-based requests to gut hard-fought safety requirements and labor protections. Lastly, we implore lawmakers and other public voices to reexamine the facts and finally present this issue truthfully. It is wrong and unfair to scapegoat American workers who simply want good jobs and the ability to improve their workplaces and livelihoods.

Consider just a small number of examples:

- Rail labor has dealt with the devastating consequences of <u>precision-scheduled railroading</u> (<u>PSR</u>), whereby Class I carriers shortsightedly reduced their workforce by a staggering 20% over a five-year period to increase profit margins at the expense of smooth operations and the safety of overworked frontline employees. Ironically, many of these carriers then requested regulatory relief, citing purported COVID-related labor shortages, despite the fact that they had rosters of employees whom they previously decided to furlough.
- Moreover, a troubling attendance policy known as Hi-Viz is starting to take root among Class I railroads. As implemented by BNSF, this policy incentivizes <u>some employees</u> to come to work fatigued or ill, endangering worker and public safety.
- In a similar vein, the airline industry has orchestrated <u>a plan to cut service</u> by relying on inexperienced pilots and uncertified mechanics, arguing that life-saving federal qualifications and training requirements are too costly.
- <u>Working people</u> on the front lines of passenger transportation systems from flight attendants and Amtrak conductors to bus drivers and train operators have been the victims of verbal and physical assaults by unruly passengers. In some cases, employees have suffered significant physical injuries or even <u>death</u>.
- <u>The incumbent workforce</u> is also affected by, and often forgotten in, the transition to new technologies when they are not given a voice in technological transitions. For example, as public transit systems across the country continue to electrify their fleets, <u>mechanics and operators who have worked on gas-powered vehicles have not been trained</u> to service and operate the new buses, leaving them to wonder whether the push to electrify will also push them out of their jobs.
- School bus drivers, committed to safely transporting the nation's students to and from school, have split workdays and are not eligible for unemployment benefits when their buses are idle during summer breaks.
- <u>Long-haul truckers</u> face long workdays, low wages, difficult working environments, and misclassification, all of which contribute to the 90% turnover rate among these workers.

A Return to the Gilded Age

Many industries have spent decades undermining the quality of life for their workers and advocating against federal labor and safety laws while they rake in <u>record-breaking profits</u>, and it is only getting worse. BNSF's implementation of the Hi-Viz model — further explained in TTD Policy Statement #1 — is a shocking example. Not only do these punitive, inhumane, and dangerous attendance policies drive workers away from their industries, they also serve as a litmus test for other employers who will follow suit if they are not stopped. As one reporter <u>aptly put it</u>, "This story about overworked U.S. railroad workers reads like something out of the Gilded Age." While some industries have put forward half-baked explanations to justify their actions, it is eminently clear that their real goal is to wring a few more cents out of workers for the benefit of their shareholders and equity investors.

Working people have spent decades being asked to do more while their wages have remained stagnant and their power to fight bad employers has been ripped out from under them. The Economic Policy Institute found that while net productivity grew 61.8% between 1979 and 2020, the hourly pay for workers increased by only 17.5% during the same period. It is no coincidence that since the early 2000s, while the percentage of total income held by the top 10% of individuals has grown to almost 50%, union membership rates have steadily declined. In 2021, only 10.3% of wage and salary workers belonged to a union, according to the Bureau of Labor Statistics. This decline in union membership is a result of employers' heavy-handed and often illegal resistance to workers' right to organize, the deregulation of industries, and anti-middle class federal and state public policy, including so-called right-to-work laws.

Meanwhile, employers and public officials continue to peddle demonstrably false narratives, rather than highlighting the fact that American workers really just want a living wage and dignity in their work. We have seen this time and again.

- Following the publication of a Department of Transportation (DOT) report that, among other things, raised concerns about the impact of PSR on railroad operations, the <u>American Association of Railroads (AAR) shot back</u> that "While railroads experienced some challenges in moving goods, many of those were due to external forces," including a workforce shortage.
- <u>CNBC argues</u> that the so-called "labor shortage" could be addressed if retirees come out of retirement
- <u>Travel Weekly has made</u> the outlandish claim that the reason for a supposed pilot shortage is the federal safety requirement that pilot candidates log 1,500 hours of flying in order to pilot for a commercial airline.

Until poor workplace conditions and the burden of corporate greed are correctly identified, called out for what they are, and seriously addressed through strong federal oversight and good policy solutions, the supply of good workers for bad jobs will simply never be met.

The Union Difference for Workers

Transportation labor is doing our part to improve conditions for working people. The historic Infrastructure Investment and Jobs Act (IIJA) makes significant strides in tackling many of these issues, including combatting assaults of public transportation workers, providing dedicated funding to train workers who would otherwise be deskilled or displaced by the transition to new technologies, requiring critical incident stress plans for Amtrak workers, and expanding and broadening the applicability of existing labor standards that ensure workers in the transportation sector — whether it is construction, operations, maintenance, or manufacturing — can enjoy a good union contract. The law also requires the study of safety impacts of freight trains longer than 7,500 feet, which are becoming increasingly common under PSR, and requires that Federal Railroad Administration (FRA) accident reports include train length, number of cars, and crew size. TTD strongly supported these provisions and will continue to closely follow their implementation.

Moreover, the Biden administration has shown clear leadership in its efforts to create more union jobs that will help put a stop to the degradation of jobs in this country. As further detailed in TTD Policy Statement #5, President Biden convened the White House Task Force on Worker Organizing and Empowerment, chaired by Vice President Kamala Harris, because he knows that the real solution to the bad jobs problem in the United States is returning power to workers through a stronger union workforce. The DOT has acted on the goals of the taskforce. By way of example, the recently announced <u>Multimodal Project Discretionary Grant Opportunity</u> requires project sponsors to demonstrate their effort to create good-paying jobs with the free and fair choice to join a union and prioritizes projects that have gained direct union support. Actions like these create and sustain quality jobs that people want and want to keep.

While these are important steps, they are only incremental in building the kinds of jobs Americans are seeking today. Instead of scapegoating working people, we must speak truthfully about the role employers play in undermining their workforce. That includes understanding that working people are the engine of the economy, respecting workers' rights to organize and collectively bargain, and listening to working people and their elected labor representatives when they voice long-held concerns and make good-faith efforts to resolve them. We once again call on public figures to reframe the narrative so that the true bad actors in our economy can be held accountable.

We must also recognize the role anti-worker lawmakers play in pulling the rug out from under the middle class. The only way to reverse this course is by granting workers a collective voice at their workplaces and strengthening penalties for employers who interfere in workers' rights to improve their working conditions through a union. For that reason, we again call on the Senate to pass the PRO Act and on Congress to adopt the Public Service Freedom to Negotiate Act, and send these bills to the president's desk once and for all. We also urge Congress and the administration to be bulwarks against all attempts to repeal critical labor and safety requirements that protect working people and the traveling public.

Reversing course for working people in this country and solving the problem of low-road jobs, is the only way out of the hole that corporate greed and anti-worker politicians have put us in. While it took decades to get here, the pandemic further spotlighted the injustices that working people face in this nation's job market, and they would rather walk away than be walked over.

> Policy Statement No. S22-03 Adopted April 4, 2022