

**Surface Transportation Board Announces Settlement, Dismissal of Case Involving Rail Employee Eligibility for Post-Merger Displacement Allowances**

Surface Transportation Board (Board) Chairman Linda J. Morgan announced today the settlement and dismissal of an arbitration case[FOOTNOTE 1: *Norfolk Southern Corporation--Control--Norfolk and Western Railway Company and Southern Railway Company (Arbitration Review)*, STB Finance Docket No. 29430 (Sub-No. 21).] involving employee eligibility for allowances to compensate for job displacements resulting from a railroad merger.

At issue in this case was whether employees whose work was moved as a result of a merger may take a lower-paying job at their pre-merger work location and be compensated for lost income even if they could maintain their pre-merger pay level by following their former jobs to a new location. In this proceeding, the work of crew dispatching employees, represented by the Transportation • Communications International Union (TCU), was moved to a central location as a result of the merger that created the Norfolk Southern Railway Company (NSR). The employees had the right, under pre-merger collective bargaining agreements, to take lower-paying jobs at their existing locations. The employees had asserted those rights, and then applied for "displacement allowances" to compensate for the lower pay. The Board became involved in the dispute when the TCU appealed an arbitrator's decision holding that NSR was not required to pay displacement allowances to employees who did not follow their work to its new location. The Board subsequently sought comments from the public on the fundamental issues concerning displacement allowances presented by this case.

On March 21, 2001, the Board granted the parties' motion to hold the proceeding in abeyance pending discussions toward reaching a negotiated solution of the issues. After reaching a privately negotiated settlement, the parties filed a joint request to vacate the arbitration decision, dismiss the petition for review of that decision, and discontinue the proceeding, which the Board has granted in its decision issued today.

The private resolution of this matter is consistent with the Board's policy of encouraging private-sector dispute resolution whenever possible and, in particular, private negotiation to resolve issues between rail labor and management. The Board is committed to considering matters brought before it in a manner conducive to cooperative and creative private-sector resolution, to the benefit of all involved parties.

A printed copy of today's decision in Finance Docket No. 29430 (Sub-No. 21) is available for a fee by contacting **D~To-Office Solutions, Room 405, 1925 K Street, NW, Washington, DC 20006, telephone (202) 293-7776, or e-mailing [http://Da\\_To\\_Da@Hotmail.com](mailto:Da_To_Da@Hotmail.com)**. Today's decision also is available for viewing and downloading via the Board's Website at <http://www.stb.dot.gov>.

###