

NIMB

# CHAIRMAN'S LETTER

NOVEMBER 14, 2007

In FY 2007, the National Mediation Board moved forward in many ways, enhancing and improving its services to parties in the airline and railroad industries. I am pleased to report that the agency's staff continues to perform at a stalwart level in facilitating the resolution of complex representation and collective-bargaining disputes.

At a time of weak profits and carriers emerging from bankruptcy in the airline industry, the NMB mediation staff assisted the parties in reaching voluntary agreements without any work stoppages interrupting interstate commerce. In the railroad industry, this is the thirteenth consecutive year in which there has not been a strike.

#### **At the close of FY 2007:**

**The Office of Mediation Services** supplemented its corps of Mediators by hiring two new mediators with decades of experience in labor relations. They will conduct airline and railroad cases, including Grievance Mediation cases, and enable the NMB to provide even better and more timely mediation services in the coming years. A total of 45 cases were successfully mediated to a conclusion in this fiscal year.

**The Office of Alternative Dispute Resolution Services** continued to seek out and implement new and improved ways to assist the parties in airline and railroad labor-management disputes. For example, ADRS developed a customized training video to supplement live training presentations and otherwise worked with the parties to meet their specialized training needs. In a continued partnership with the University of Massachusetts at Amherst, ADRS is in the process of implementing a new "virtual workspace" on the Internet to facilitate the access and use of online dispute resolution (ODR) tools.

**The Office of Legal Affairs (OLA)** continues to find ways to provide better customer service. In 2002, OLA implemented TEV, a telephone electronic voting system, replacing traditional paper balloting. In FY 2007, OLA extensively researched and tested an Internet Voting option and has announced that it will be used to supplement TEV effective October 1, 2007. In spite of a high volume of non-representation work during this fiscal year, OLA staff processed to conclusion all but one of the active representation cases within its purview for the year.

**The Office of Arbitration Services** is actively promoting Grievance Mediation (GM) as an alternative to Grievance Arbitration. GM will be especially beneficial to parties whenever congressional funding for arbitration is exhausted in any particular fiscal year. The NMB Arbitration program completed its efforts to streamline and modernize its operational procedures by fully implementing the agency's all electronic Records Management System. (See "Arbitration Services Goes Paperless" in the Arbitration section of this report.)

**The Office of Administration (OA)** participated in OPM audits of Human Resources and Personnel Security during FY 2007 and will use the results to improve NMB operations. OA has implemented a three level approach to ensure the accuracy of data entered into the Federal Procurement Data System. And, as part of its ongoing efforts to comply with government wide security and emergency requirements, the NMB developed a COOP (Continuity of Operations Plan) site, which features a fully redundant set of agency documents and records, accessible from remote locations. The Board's Office of Administration continues to support the President's Management Agenda in all Government-wide Initiatives.

This Performance and Accountability Report includes a comprehensive set of performance Goals and Results pursuant to the Government Performance and Results Act. Also incorporated, as required, are the NMB Financial Report and Management Assurances. Because the NMB is not subject to the CFO Act, this Annual Report may not contain some of the information required of CFO Act agencies.



**HARRY R. HOGLANDER**  
Chairman

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**Please note:** The terms and acronyms used throughout this Annual Report are defined in the Glossary, Appendix-C.

# MISSION STATEMENT

**The National Mediation Board (NMB) was established by the 1934 amendments to the Railway Labor Act (RLA) of 1926. It is an independent federal agency performing a central role in facilitating harmonious labor-management relations within two of the nation's key transportation sectors: the railroads and airlines.**

The NMB is headed by a three-member board appointed by the President and confirmed by the Senate. The board designates a Chairman on a yearly basis. Mr. Harry Hoglander is currently the Chairman with Ms Read Van de Water and Ms Elizabeth Dougherty serving as Members.

Pursuant to the Railway Labor Act, the Agency's integrated dispute-resolution processes are designed to promote the following three goals, enabling the National Mediation Board to effect its statutory mandate to minimize work stoppages in the railroad and airline industries.

- (1) The resolution of disputes arising out of the negotiation of new or revised collective bargaining agreements;
- (2) The effectuation of employee rights of self-organization where a representation dispute exists; and
- (3) The resolution of disputes over the interpretation or application of existing agreements.

For further information, please refer to the agency's website at [www.nmb.gov](http://www.nmb.gov).

# RLA AND NMB FUNCTIONS

The Railway Labor Act (RLA) provides a comprehensive statutory framework for the resolution of labor-management disputes in the airline and railroad industries. Enacted in 1926 as a collaborative effort of labor and management, the RLA succeeded several previous federal statutes dating back to 1888. The 1926 Act provided for mandatory Mediation and voluntary Arbitration of railroad disputes in contract negotiations, as well as for Presidential Emergency Boards to enhance dispute resolution. Key amendments to the Act in 1934 established a three-member National Mediation Board (NMB) and authorized the resolution of employee Representation disputes by the NMB. In 1936, the jurisdiction of the RLA was expanded to include the airline industry. The 1981 amendment to the Act permitted the creation of specialized Presidential Emergency Boards for collective bargaining disputes at certain commuter railroads.

## MEDIATION

The RLA requires labor and management to exert every reasonable effort to make and maintain collective bargaining agreements. Initially, the parties must give notice to each other of their proposals for new or revised agreements. Direct Negotiation between the parties must commence promptly and continue in an effort to conclude a new collective bargaining agreement or to narrow their differences. Should parties fail to reach agreement during Direct Negotiations, either party or the parties jointly, may apply to the NMB for Mediation. (An application for NMB mediation services may be obtained from the Agency's web site at [www.nmb.gov](http://www.nmb.gov).) Following receipt of an application, the NMB promptly assigns a mediator to assist the parties in reaching an agreement. The NMB is obligated under the Act to use its "best efforts" to bring about a peaceful resolution of the dispute.

If such efforts do not settle the dispute, the NMB advises the parties and offers Interest Arbitration as an alternative approach to resolve the remaining issues. If either party rejects this offer of binding arbitration, the NMB releases the parties from formal Mediation. This release triggers a thirty-day Cooling Off period. During this thirty-day period, the Agency continues to work with the parties to achieve a consensual solution to the dispute. However, if an agreement is not reached by the end of the thirty-day period, the parties are free to exercise lawful Self Help. Lawful self-help includes carrier-imposed working conditions or a strike by the union/organization.

## PRESIDENTIAL EMERGENCY BOARDS

If the NMB determines, pursuant to Section 160 of the RLA (Section 10), that a dispute threatens substantially to interrupt commerce to a degree that will deprive any section of the country of essential transportation service, the NMB notifies the President. The President may, at his discretion, establish a Presidential Emergency Board (PEB) to investigate and report back to the President, respecting such dispute, within 30 days from the date such PEB is created. After the Board has been created and for 30 days after such Board has made its report to the President, neither party to the dispute may exercise self-help.

Apart from the emergency board procedures provided by Section 160 of the RLA, Section 159A (Section 9a) provides special multi-step emergency procedures for unresolved disputes affecting publicly funded and operated commuter railroads and its employees. If the Mediation procedures are exhausted, the parties to the dispute, or the Governor of any state where the railroad operates, may request that the President establish a PEB. The President is required to establish such a board if requested. If no settlement is reached within 60 days following the creation of the PEB, the NMB is required to conduct a public hearing on the dispute. If there is no settlement within 120 days after the creation of the PEB, any party or the Governor of any affected state, may request a second, final-offer PEB. No self help is permitted pending the exhaustion of these emergency procedures.

## ALTERNATIVE DISPUTE RESOLUTION

In addition to the statutory Mediation services, the NMB also provides voluntary Alternative Dispute Resolution (ADR) services. ADR services include facilitation, training, grievance mediation, and an Online Dispute Resolution (ODR) component, applying technology to the dispute resolution process. The purpose of the NMB's ADR program is to assist the parties in learning and applying more-effective, less-confrontational methods for resolving their disputes. Another goal is to help the parties resolve more of their own disputes without outside intervention. The NMB believes that, over time, its ADR services will result in fewer cases progressing to Mediation, reduce and narrow the issues which the parties bring to Mediation, and positively affect working relationships among the parties. The application form for ADR Services may be found on the agency web site ([www.nmb.com](http://www.nmb.com)).

## REPRESENTATION

Under the RLA, employees in the airline and railroad industries have the right to select a labor organization or individual to represent them for collective bargaining without “interference, influence or coercion” by the carrier. Employees may also decline representation. An RLA representation unit is a “craft or class,” which consists of the overall grouping of employees performing particular types of related duties and functions. The selection of a collective bargaining representative is accomplished on a system-wide basis, which includes all employees in the craft or class anywhere the carrier operates in the United States.

When a labor organization or individual files an application with the NMB to represent employees, the Agency assigns an investigator to conduct a representation investigation. (An application for a representation investigation may be obtained from the Agency’s web site at [www.nmb.gov](http://www.nmb.gov).) The investigator assigned to a case has the responsibility to determine if the craft or class the organization seeks to represent is system-wide and otherwise valid. NMB election procedures require that the application must be supported by a sufficient employee showing-of-interest to warrant the continuation of the investigation. If the employees are not already represented for collective bargaining purposes, a thirty-five percent showing is required. If the craft or class covered by the application is represented and a collective bargaining agreement is in effect, the showing-of-interest requirement is a majority of the craft or class.

If the showing-of-interest requirement is met, the NMB continues the investigation, usually with a secret Telephone/Internet election. Only such employees that are found to be eligible to vote by the NMB are permitted to participate such election. In order for a representative to be certified, a majority of the eligible voters must cast valid votes in support of representation. The NMB is responsible for ensuring that the requirements for a fair election process have been maintained. If the employees vote to be represented, the NMB issues a certification of that result which commences the carrier’s statutory duty to bargain with the certified representative.

## ARBITRATION

The RLA provides for both **Grievance Arbitration** and **Interest Arbitration**.

**Grievance Arbitration** is a process for resolving disputes regarding the interpretation or application of an existing collective bargaining agreement. Grievances, known as “minor disputes” under the RLA, must be handled through Grievance Arbitration if not otherwise resolved, and cannot be used by the parties to trigger self-help actions. The NMB has significant administrative responsibilities for the three types of grievance arbitration in the railroad industry. These types include those of the National Railroad Adjustment Board as well as arbitration panels established directly by the labor-management parties at each railroad: Public Law Boards and Special Boards of Adjustment. Grievance Arbitration in the airline industry is accomplished at the various System Boards of Adjustment created jointly by labor and management at the parties’ expense. The NMB furnishes panels of prospective arbitrators for the parties’ selection in both the airline and railroad industries. (A request to be placed on the NMB Roster of Arbitrators may be obtained from the Board’s web site at [www.nmb.gov](http://www.nmb.gov).) The NMB also has substantial financial responsibilities for railroad arbitration proceedings in that it pays the salaries and travel expenses of the arbitrators. Grievance Arbitration decisions under the RLA are final and binding with very limited grounds for judicial review.

**Interest Arbitration** is a process to establish the terms of a new or modified collective bargaining agreement through arbitration, rather than through negotiations. Although the RLA provides an effective process for Interest Arbitration, its use is not statutorily required. The NMB offers the parties the opportunity to use binding Interest Arbitration when the Agency has determined that further Mediation efforts will not be successful. In addition, the parties may directly agree to resolve their collective bargaining dispute or portions of their dispute through Interest Arbitration. The NMB generally provides the parties with panels of potential arbitrators from which they select an individual to resolve their dispute. In some instances however, the parties agree to allow the NMB to directly appoint an arbitrator. Interest Arbitration decisions are final and binding with very narrow grounds for judicial appeal.

## ADMINISTRATION

The Office of Administration provides the management and support functions for the NMB. These functions include: budget and finance; human resources; accounting and procurement; information technology and telecommunications; property and space management; and office support. The centralization of these functions ensures consistency throughout the various functional areas.

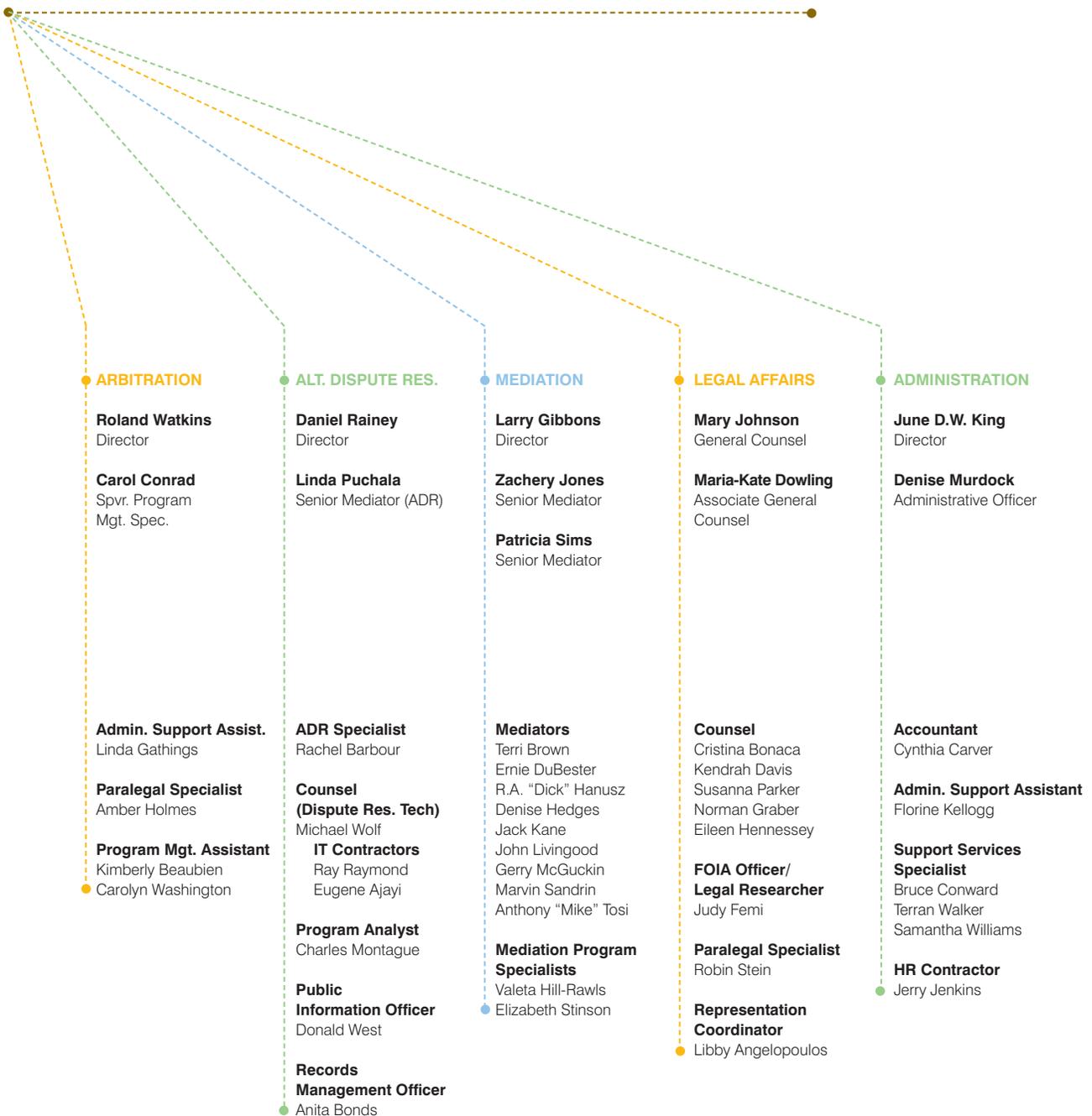
# NMB STRUCTURE

SEPTEMBER 30, 2007

**READ VAN DE WATER**  
Member  
Sarah Williams, CA

**HARRY HOGLANDER**  
Chairman  
Vacant, CA

**ELIZABETH DOUGHERTY**  
Member  
Anne Woodson, CA



# BOARD MEMBERS



**HARRY R. HOGLANDER**  
Chairman

Harry R. Hoglander, current Chairman of the National Mediation Board effective July 1, 2007, has served as a Member of the Board since August 6, 2002, and previously as Chairman from July 1, 2004, through June 30, 2005. He was first confirmed by the United States Senate on August 1, 2002, and reconfirmed for a second term on December 8, 2006.

Prior to joining the Board, Mr. Hoglander served as a Legislative Specialist in the office of Congressman John Tierney of Massachusetts. His responsibilities were: Transportation issues including aviation, rail and maritime, Labor, Defense and Veterans Affairs.

Chairman Hoglander has an extensive background in the aviation industry. He flew as a Captain for Trans World Airline (TWA) and was rated to fly Boeing 707, 727, and 747's during his 28 year career with TWA. Additionally, while with TWA, he was elected Master Chairman of TWA's Master Executive Council. He was also elected Executive Vice-President of the Air Line Pilots Association. Mr. Hoglander was named Aviation Labor Representative to the United States Bi-Lateral Negotiating Team by then Secretary of State James Baker.

Chairman Hoglander was a pilot in the United States Air Force and retired with the rank of Lt. Colonel. He graduated from Suffolk University Law School, became a member of the Florida Bar, and serves his community in a variety of volunteer positions.

Member Hoglander and his wife Judith reside in Magnolia, Massachusetts. They have six grown children and twelve grandchildren.



**READ VAN DE WATER**  
Member

Read Van de Water, a Member of the National Mediation Board since 2003, served as Chairman from July 1, 2005, through June 30, 2006. Ms Van de Water was sworn in

as a Board Member on December 11, 2003, after being nominated by President George W. Bush in September, and unanimously confirmed by the United States Senate on December 9, 2003.

Ms Van de Water served from 2001-2003 as the Assistant Secretary for Aviation and International Affairs at the U.S. Department of Transportation. Previously she served as the legislative counsel for international trade and investment with The Business Roundtable and as legislative counsel and director of government affairs for Northwest Airlines. She also was employed on Capitol Hill as an appropriations associate and legislative assistant to Congressman Tom DeLay (Texas) from 1987-1991.

A native of Charlotte, North Carolina, Ms Van de Water graduated from the University of the South (Sewanee) in 1986. She received a master's degree from The George Washington University and her J.D. from The Georgetown University Law Center.

Ms Van de Water is married to Mark Van de Water. They have three children and reside in Warrenton, Virginia.



**ELIZABETH DOUGHERTY**  
Member

Elizabeth Dougherty, a Member of the National Mediation Board since December 13, 2006, served as Chairman of the Board through June 30, 2007. She was nominated by President George W. Bush and subsequently confirmed by the U.S. Senate on December 8, 2006.

Prior to joining the Board, Ms Dougherty most recently served as Special Assistant to the President for Domestic Policy at the White House, where she covered labor and transportation issues. Prior to that, she served as Chief Counsel for the United States Senate Subcommittee on Employment, Safety and Training. Earlier in her career, she was an Associate at Hogan & Hartson, practicing labor and employment law.

Ms Dougherty received her bachelor's degree from Duke University and her JD from the University of Virginia. She currently resides in Washington, DC, with her husband, Paul, and their two children.

# DIRECTORS



**LARRY GIBBONS**  
Director, Office of Mediation Services

Larry Gibbons joined the Board in September, 1997, as a Senior Mediator. Currently, Mr. Gibbons is the Director of Mediation and has overall responsibility for the administration and management of mediation cases in the airline and railroad industries.

Mr. Gibbons brought to the Board 25 years of experience in personnel and labor relations, practicing under both the NLRA and RLA. Immediately prior to joining the NMB, he headed Human Resources and Labor Relations with ABX Air, Inc. (Airborne Express) for 12 years and for two years was an independent labor relations consultant. He is a past President and Member of the AIRCON Executive Board.

Mr. Gibbons was also involved in community activities, including serving on a Board of Directors for the United Way and an Adult Rehabilitation Workshop.

Mr. Gibbons earned a Bachelor of Science degree in Journalism from Ohio University, and he served as an officer in the United States Army.



**MARY JOHNSON**  
General Counsel, Office of Legal Affairs

Mary L. Johnson is General Counsel of the National Mediation Board. As General Counsel, she serves as the Chief Legal Officer of the agency and manages the Board's representation program and a legal program which includes litigation. In this role, Ms Johnson provides legal advice to the Board Members and agency staff. In addition, she ensures compliance with the Freedom of Information Act, Government in the Sunshine Act, and other statutes.

Several months prior to her becoming General Counsel on December 15, 2002, Ms Johnson was appointed Acting Director of the Board's Office of Legal Affairs. She had served as the Board's Litigation Counsel since March, 2000. She has also been the agency's Designated Ethics

Official since November 2002, and prior to that, Alternate Designated Ethics Official from 1996. Ms Johnson joined the National Mediation Board as a Hearing Officer in December 1980, and became a Senior Hearing Officer in 1989.

Ms Johnson received her Juris Doctor from the University of Connecticut School of Law and her A.B. from Barnard College. She is a member of the Connecticut Bar, and serves on the Executive Board of the Association of Labor Relations Agencies, a consortium of federal, state, and Canadian labor relations agencies. Ms Johnson is also public co-chair of the Railroad and Airline Labor Committee of the Labor and Employment Law Section of the American Bar Association.



**JUNE D.W. KING**  
Director, Office of Administration

June D.W. King joined the National Mediation Board in 1995. She is currently the Director of Administration for the Board. In this role and as Chief Financial Officer, she has responsibility for the Board's administrative management functions, which include strategic planning and budgeting; accounting and finance; human resources management; procurement and contracting; and internal audit and evaluation. She also serves as the agency's Chief Information Officer with direct authority for the policies and practices of the Board's Information Technology program.

Ms King is the agency's principal official to all the Small Agency Councils in the areas of administration, human resources and information technology. She is also a member of the Small Agency Executive Committee and the Chief Information Officers Committee.

Ms King received her Bachelor's degree in Business Administration with a concentration in Accounting from the University of the District of Columbia.



**DANIEL RAINEY**  
**Director, Office of Alternative  
Dispute Resolution Services**

Daniel Rainey is the Director of the Office of Alternative Dispute Resolution Services (ADRS) for the National Mediation Board, and he is the agency's Ombudsman. He joined the NMB's staff in April, 2001.

As Director, ADRS, he is responsible for a range of programs and projects involving cooperation with and support for the Board Members and the other departments within the NMB. The NMB's alternative dispute resolution (ADR) program includes: 1) an ongoing training program offering standard problem solving and grievance mediation courses; 2) specialized training in topics such as teambuilding and System Boards of Adjustment; 3) third party work in grievance mediation, interest-based contract negotiation, and group facilitation; and 4) Online Dispute Resolution (ODR). The ODR program includes the use of technology for contract negotiations, grievance mediation, arbitration hearings, and other work with parties in the airline and railroad industries.

Mr. Rainey is a member of a research team working with the University of Massachusetts at Amherst under a National Science Foundation grant designed to develop information about process modeling and the impact of ODR tools in mediation.

He also has administrative responsibility for the NMB's research program, public information/public affairs program, and documents and records management program. He is responsible for supervision and direction of the Board's information technology (IT) contractors and the programs they manage and implement.

Immediately prior to coming to the NMB, he was the owner/president of a consulting firm specializing in conflict management and conflict intervention. From 1978 through 1990, he was a faculty member at George Mason University in Fairfax, Virginia.

Mr. Rainey is a member of the Association for Conflict Resolution (ACR) and the Association of Labor Relations Agencies (ALRA). For ACR, he is Chair of the ODR Section, and he is a member of the ALRA Communications, Publications, and Technology Committee. He is a member of InternetBar.org (an online dispute resolution organization addressing issues of justice involving cyber-law and cyber-transactions), a Fellow of the Center for Information Technology and Dispute Resolution (CITDR) at the University of Massachusetts at Amherst, and co-Chair of the Advisory Board for the National Center for Technology and Dispute Resolution. He is also an adjunct faculty member at the University of Massachusetts at Amherst and at Southern Methodist University.

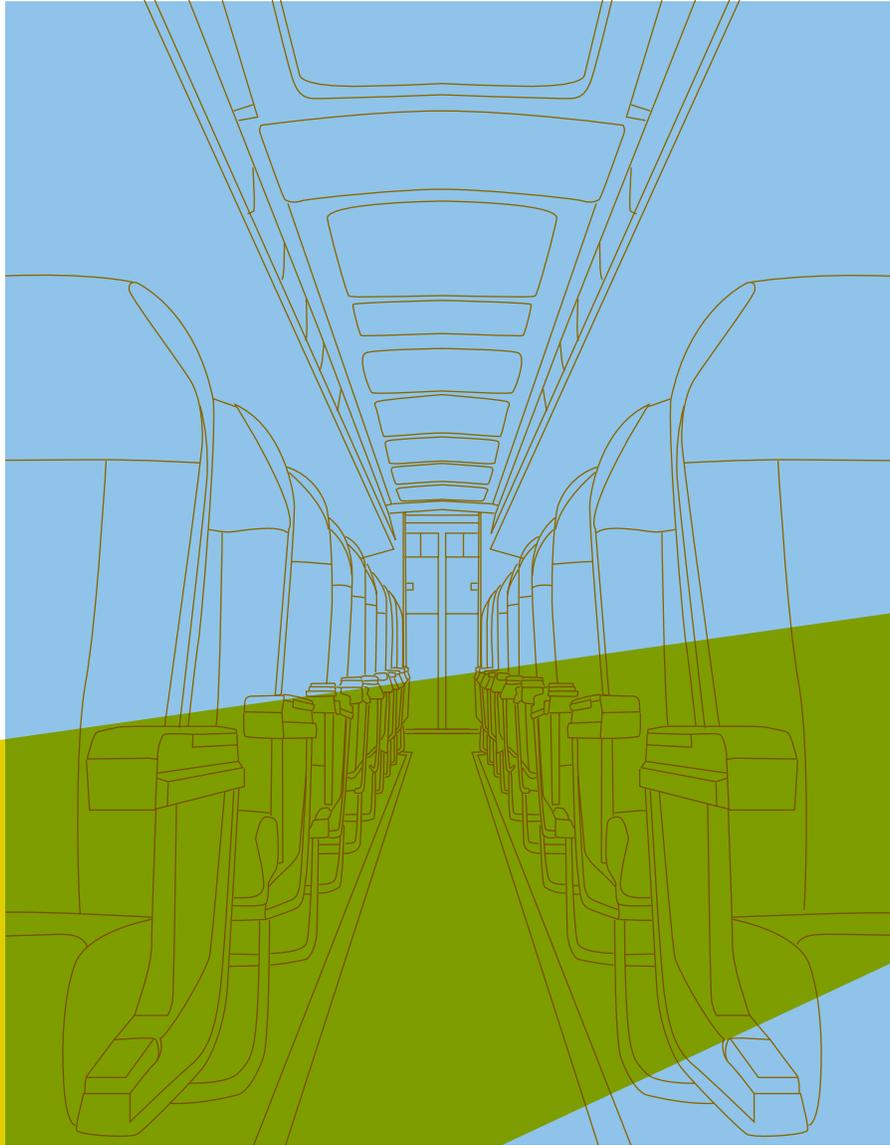


**ROLAND WATKINS**  
**Director, Office of Arbitration Services**

Roland Watkins joined the National Mediation Board in February, 1980. During his career at the Board, he has been a Senior Hearing Officer and Legal Counsel. He has also served as counsel/special assistant to numerous Presidential Emergency Boards and Congressional Advisory Boards.

Currently, Mr. Watkins serves as the Director of the Arbitration Department, where he is responsible for all aspects of Grievance and Interest Arbitration in the airline and railroad industries. These responsibilities include administering railroad Public Law Boards, Special Boards of Adjustment and Arbitration Boards. He serves as the Administrator for the National Railroad Adjustment Board which is located in Chicago, Illinois.

Mr. Watkins received his B.A. degree in Economics from Lafayette College located in Easton, Pennsylvania, and his Juris Doctor from Cornell Law School in Ithaca, New York. He is a member of the Railroad and Airline Labor Committee and the Dispute Resolution Committee of the Labor and Employment Law Section of the American Bar Association.



## MANAGEMENT DISCUSSION & ANALYSIS

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**18** Alternative Dispute Resolution

**24** Presidential Emergency Boards

**28** Representation

**34** Arbitration

**38** Administration

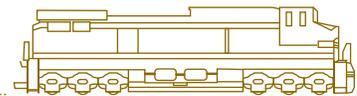
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MEDIATION

## OVERVIEW OF FISCAL YEAR 2007

**In FY 2007, the NMB's mediation staff once again delivered outstanding service to the airline and railroad industries, and to the public. In an environment of weak profits and carriers emerging from bankruptcy in the airline industry, the NMB's mediators were challenged to assist the parties in reaching settlements. The Board's overall performance reinforced the stability of the mediation process and the reliability of its multi-faceted approach to labor-management disputes.**



To achieve the NMB's overriding responsibility to manage mediation cases effectively and to the extent possible, avoid serious interruption to interstate commerce, the agency uses a variety of tools and techniques to help the parties reach consensual agreement.

The total case intake rate for FY 2007 was eight percent below FY 2006. FY 2007 case closures, however, was thirty-six percent above FY 2006 and equal to the five-year average. The actual mediation cases pending at

the beginning of FY 2007 and for the end of FY 2007 are above the five year average. The overall outlook for case activity in the coming fiscal years is for an increase in mediation cases based upon known contract amendable dates and recent representation activity. Additionally, in the airline industry, airline contracts for legacy carriers, due to concessionary bargaining, will become amendable on common dates, versus being spread out. This will heavily tax and challenge the Board's mediators.



## MEDIATION CASES

### CASES PENDING START

FY 07 ACTUAL 75

FY 06 ACTUAL 71

FY 02–FY 06 FIVE YR AVERAGE 61.4

### CASES DOCKETED

FY 07 ACTUAL 34

FY 06 ACTUAL 37

FY 02–FY 06 FIVE YR AVERAGE 47.0

### CASES CLOSED

FY 07 ACTUAL 45

FY 06 ACTUAL 33

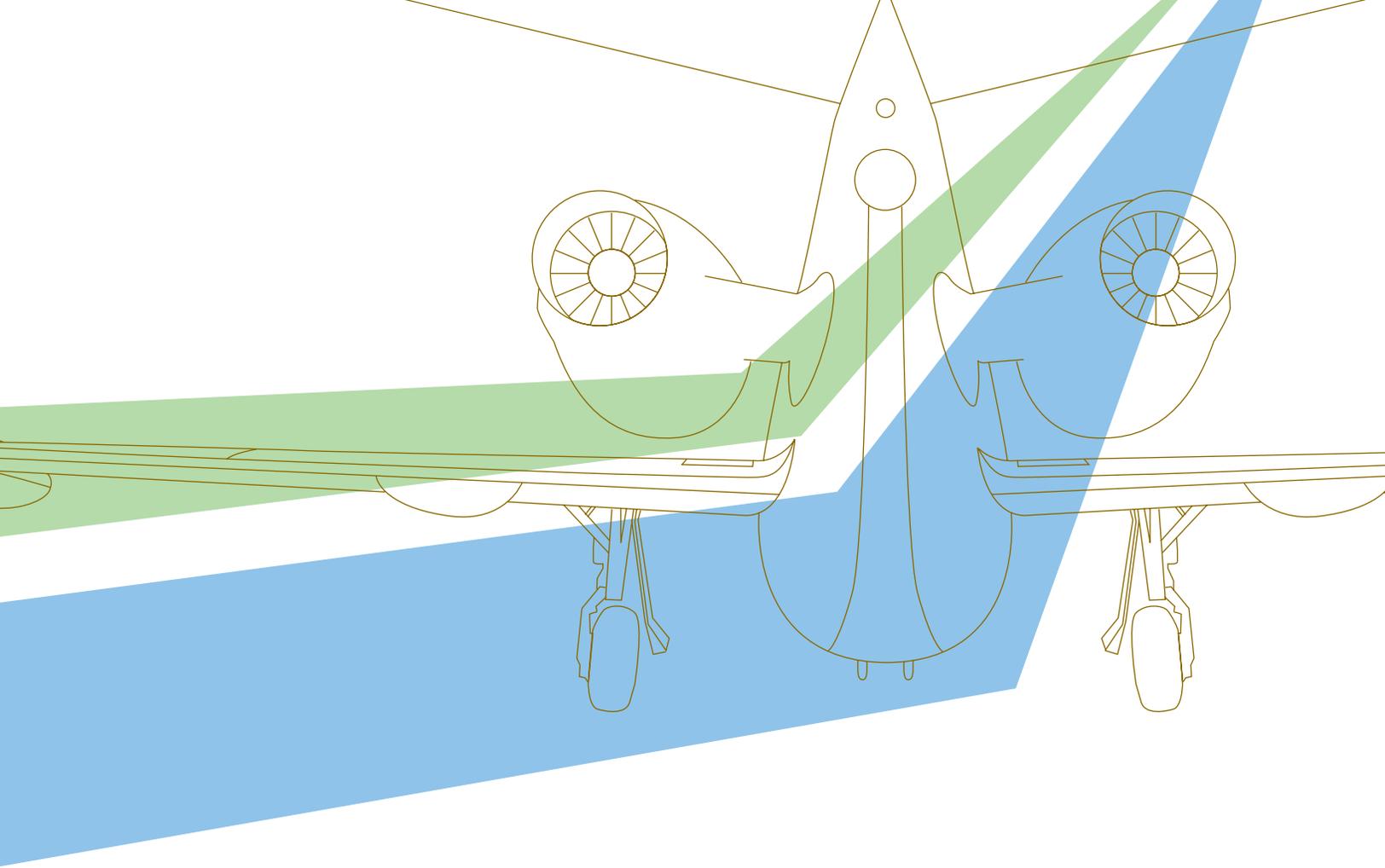
FY 02–FY 06 FIVE YR AVERAGE 45.2

### CASES PENDING END

FY 07 ACTUAL 64

FY 06 ACTUAL 75

FY 02–FY 06 FIVE YR AVERAGE 63.2



## HIGHLIGHTS OF FISCAL YEAR 2007

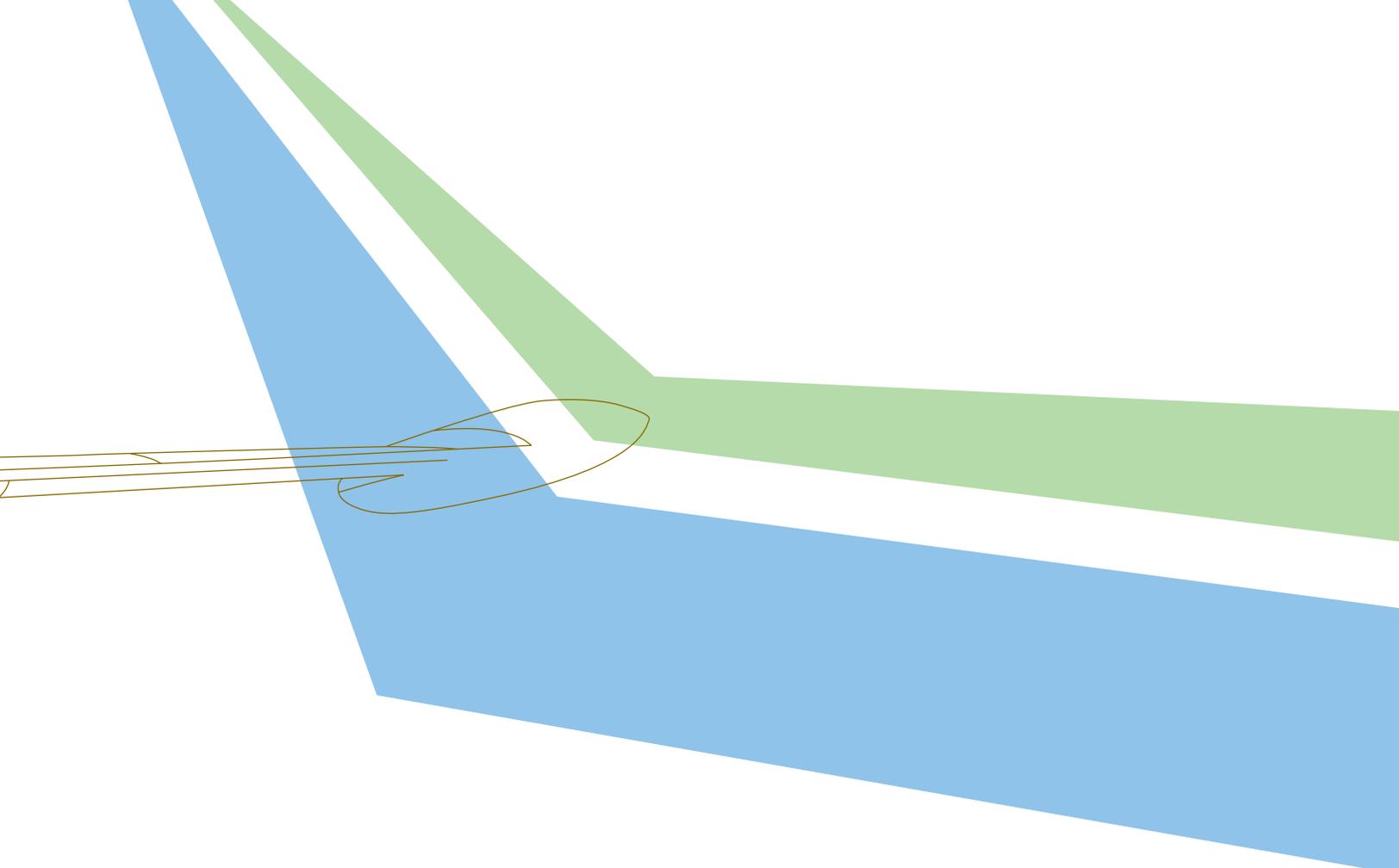
**Cooling-off Periods and Self-help Activity.** The strike between Northwest Airlines and its mechanics represented by the Aircraft Mechanic's Fraternal Association (AMFA) that began in FY 2005, ended in November 2006. Northwest had hired replacement workers and continued to operate through the strike. Also in the airline industry, Petroleum Helicopter Incorporated (PHI) and their pilots represented by the Office Professional Employees International Union (OPEIU) began the fiscal year in self help. The parties in this case also reached an agreement in November of 2006.

On the commuter rail side, Metro North Railroad and seven of its Unions entered into a cooling off period and did not reach agreement: the Transportation Communications Union (TCU), Transportation Worker's Union (TWU), Sheetmetal Worker's International Association (SMWIA), International Association of Machinists (IAM), International Brotherhood of Electrical Workers (IBEW), Service Employees International Union (SEIU) and the International Brotherhood of Teamsters (IBT) representing twelve different bargaining units. The President established Presidential Emergency Board 240 under Section 159A of the Railway Labor Act. After the PEB Members issued their report to the President, all the parties, except the IBT, reached voluntary tentative agreements which were ratified. The President established

a second Presidential Emergency Board, 241, under Section 159A of the Railway Labor Act and after the PEB Members issued their report, Metro North and the IBT reached a tentative agreement which also was ratified.

**Settlements.** In FY 2007, all mediated cases that were closed, were by voluntary agreements without a strike or other legal self-help. Mediation cases before the Board in FY 2007 continued to be extremely complex and challenging. Several of these mediation cases involved airlines which had filed for bankruptcy protection. Thus, the Agency's actual mediation and facilitation activities remained at an intense level, challenging the Board's mediators and other resources.

A list of airline carriers and organizations, which reached agreements with NMB assistance, includes: Northwest and the Association of Flight Attendants (AFA-CWA); Mesaba Airlines and the AFA-CWA; Mesaba Airlines and the Aircraft Mechanics Fraternal Association (AMFA); Northwest and AMFA; Federal Express and the Air Line Pilots Association (ALPA); PSA Airlines and the International Brotherhood of Teamsters (IBT); Petroleum Helicopter and the Office and Professional Employees International Union (OPEIU); and Aer Lingus and the International Association of Machinists (IAM). Also, Atlantic Southeast Airlines and ALPA reached a tentative agreement subject to ratification.



In the railroad industry, besides the Metro North cases noted above, the NMB helped the parties reach agreements in the following cases: National Carrier's Conference Committee and the Railroad Labor Bargaining Coalition (RLBC), the Transport Workers Union (TWU), Transportation Communications International Union (TCU) and the National Conference of Firemen and Oilers (NCFO); SEPTA and the Brotherhood of Maintenance of Way Employees Division of the IBT (BMWED); PATH and the Brotherhood of Locomotive Engineers and Trainmen (BLET); Panhandle Railroad and the BLET; Louisiana and Northwest Railroad and the International Association of Machinists (IAM); and the South Buffalo Railroad and the United Transportation Union (UTU).

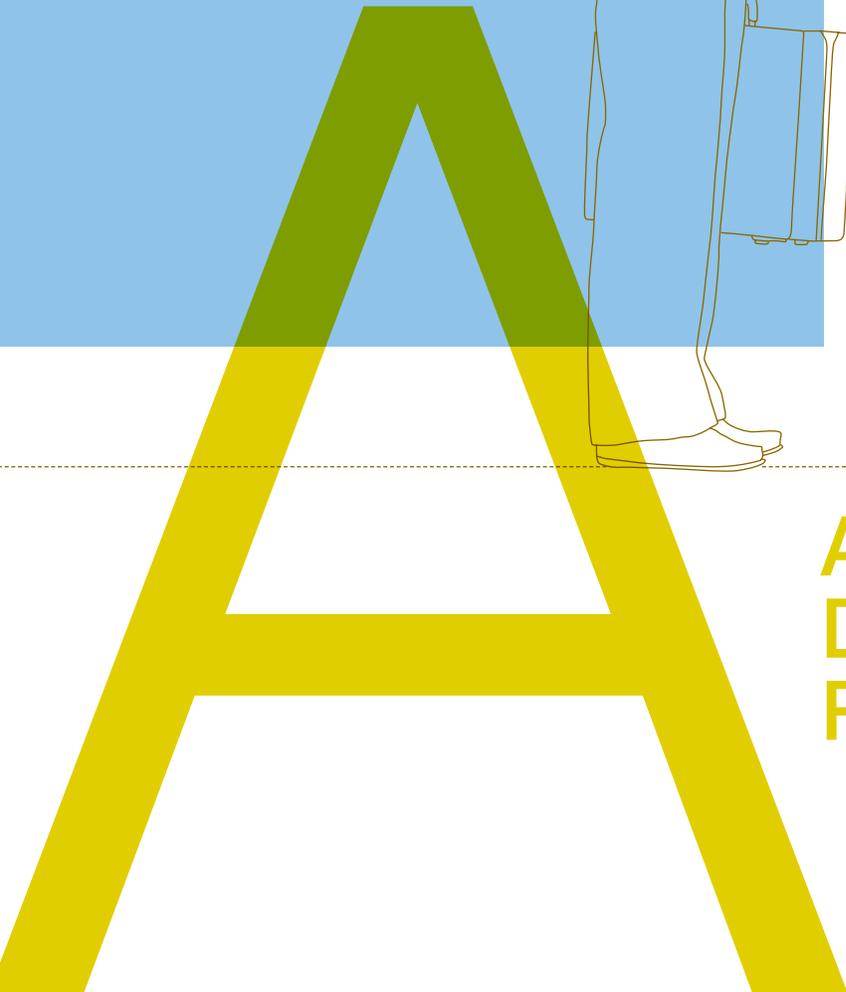
**Pending Cases.** At the present time, several significant airline cases remain in mediation including Air Tran and the National Pilots Association (NPA); Atlantic Southeast Airlines and the AFA-CWA; Pinnacle and ALPA; Trans States Air and ALPA; ASTAR and ALPA; and Mesa Air and AFA-CWA. All of these cases are proving to be extremely difficult given the current collective bargaining environment.

Currently, in the railroad industry, the National Carriers' Conference Committee (NCCC) is bargaining with two groups in mediation: the UTU and the IAM. AMTRAK continues in mediation with the Brotherhood of Maintenance of Way (BMWED), Sheet Metal Workers International Union

(SMWIA), International Brotherhood of Boilermakers, Blacksmiths (IBB&B), International Brotherhood of Electrical Workers (IBEW), Brotherhood of Railroad Signalmen (BRS), Joint Council of Carmen (JCC), American Train Dispatchers Association (ATDA), National Conference of Fireman and Oilers (NCFO), the International Association of Machinists (IAM), and the Transportation Communications International Union (TCU) While AMTRAK settlements traditionally follow those set by the NCCC, its current funding situation is causing some unique problems in reaching settlements. Several Short Line and Commuter Railroads are also in mediation including the Wisconsin Central, Southeastern Pennsylvania Transportation Authority, Port Authority Trans Hudson, and the New Jersey Transit.

In the airline industry, several key contracts are either currently open for direct negotiation or become amendable between now and the end of FY 2008. These contracts include: ABX Air and IBT (Pilots); UPS and IBT (Mechanics); Southwest and AMFA (Mechanics); Southwest and TWU (Passenger Service); and American Airlines and all its bargaining units. On the railroad side, National Handling and AMTRAK will continue to be a major focus of the NMB, and the regional railroads will continue to negotiate new contracts.

In summary, FY 2008 is projected to be a challenging year which will continue to tax Agency resources.



**ALTERNATIVE  
DISPUTE  
RESOLUTION**

## OVERVIEW OF FISCAL YEAR 2007

**In FY 2007, the Office of Alternative Dispute Resolution Services (ADRS) continued to work with each of the other National Mediation Board departments to support the goals of the agency. ADRS supports NMB goals and mission by:**

- Continuously developing and delivering training and facilitation services to parties in the airline and railroad industries;
- Continuously developing and delivering online dispute resolution services to parties in the airline and railroad industries;
- Continuously developing and maintaining a cutting edge document and records management program;
- Continuously developing and maintaining a responsive public communications program;
- Providing ongoing and ad hoc research services;
- Providing day-to-day supervision and management of information technology services.



## HIGHLIGHTS OF FISCAL YEAR 2007

**Ongoing Training.** During FY 2007, ADRS continued to refine and update its standard training, including Grievance Mediation training, Interest-Based Negotiation training, and Facilitated Problem Solving training. Normally, training offered by the NMB is done immediately before a grievance mediation or facilitation case is opened, with participation from the individuals who will be at the table for the parties, so that everyone involved in the subsequent discussions will have a common perspective on the ADR process. The NMB offers its training and facilitation services to all carrier and union groups on an equal access basis.

**During FY 2007, ADRS developed, produced, and began to use a customized training video in its grievance mediation training sessions.**

Fourteen (14) training cases were docketed during FY 2007, involving a wide range of carriers and unions, including: Kitty Hawk and ALPA; American Airlines; Spirit and AFA; Horizon and AFA-CWA; CSXT; IPA; UPS; NetJets and IBT; American Eagle and AFA; and ATA Airlines.

## ADR CASES\*

### CASES PENDING START



### CASES DOCKETED



### CASES CLOSED



### CASES PENDING END

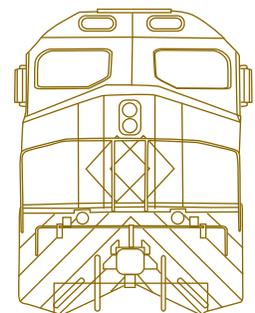


\*The caseload counts for ADR include training cases (T and T-ODR), facilitation (F and F-ODR), grievance mediation (GM and GM-ODR), and Outreach and Promotion (OP and OP-ODR) cases. Due to a change in the case assignment process, the OP-ODR cases represent direct work with the parties in the application of ODR technology in the arbitration arena and should be considered as equivalent to training (T cases).

**Special Training.** In addition to standard, ongoing training programs, the NMB offers special training requested by the parties working together or engaged in intra-group work in the railroad and airline industries. These include team building/team work for labor/management bargaining team members, system boards of adjustment training and basic training in the functions of the NMB under the RLA.

**A, F, and GM Case Work.** During FY 2007, ADRS staff members were engaged in direct delivery of dispute resolution services as facilitators in grievance mediation

(GM cases), as facilitators in interest-based contract negotiations and dispute resolution efforts (F cases), and as mediators in Section 6 negotiations (A-cases). In addition to training and facilitation services associated with Section 6 collective bargaining, the NMB provided training and grievance mediation services which resulted in a reduction of the number of cases going to arbitration. The carriers and unions involved in grievance mediation and facilitation cases docketed during FY 2007 include: PSA Airlines and AFA-CWA; Kitty Hawk and ALPA; USAirways and IAM; CSXT and BLET; NJT and BRS; USAirways and AFA; PSA Airlines and IBT; Spirit and AFA-CWA; and American and TWU.



**Online Dispute Resolution (ODR).** During FY 2007, the NMB continued its partnership with the University of Massachusetts at Amherst under a research grant awarded by the National Science Foundation. Remarkably, a second NSF grant was made to the UMass/NMB researchers, continuing the study of the impact of Online Dispute Resolution (ODR) tools in grievance mediation and other dispute resolution venues. The prototype software produced for the grant research during FY 2006 (experimental software called Storm) was used in ODR case work during FY 2007. As FY 2007 drew to a close, the NMB was engaged in active use of online tools with parties in the airline and railroad industries, and the agency was preparing to migrate to a new "virtual workspace" application to make the use of online tools easier and more accessible to the parties.

In addition to the work with UMass and the use of online systems by parties in the airline and railroad industries, the NMB continues to be a recognized leader among government agencies applying technology to dispute resolution, both in the United States and internationally.

The ADRS Director continues to be a recognized leader in the international ODR community. During FY 2007, the ADRS Director spoke at several conferences and meetings on ODR issues and other issues related to dispute resolution. In addition, the ADRS Director was a featured speaker at the Fifth International ODR Forum, held in Liverpool, UK. During FY 2007, ADRS worked with or made ODR presentations to the ABA Section of Dispute Resolution, the Association for Conflict Resolution, and the U.S. Army Medical Command, among others.

The ADRS Dispute Resolution Technology (DRT) Counsel was likewise engaged in local, national and international dispute resolution and ODR professional activities, including public appearances, consultation, and authorship of professional articles. Both the ADRS Director and the DRT Counsel are members of the Association of Labor Relations Agencies Technology and Communication Committee.

**Online Arbitration.** The NMB continued to develop and use its web-based video and document sharing capabilities during FY 2007. In addition to ongoing use of the online arbitration system by PATH and the IBT, the web video conference facilities were used by NMB departments and parties for meetings and information sharing sessions.

**Liaison with the ADR Community.** The NMB continued to use various forums to introduce ADR to the parties, including on-property presentations before such groups as the TWU bargaining committee and the American Airlines bargaining committee.

As it has in years past, the NMB continued to be an active member of the Inter-Agency ADR Working Group Steering Committee, a group consisting of representatives from U.S. Government agencies with ADR programs.

**Records Management.** During FY 2007, the NMB continued to extend its movement toward a paperless environment. The Arbitration Department significantly reduced its paper records and is still converting documents. The electronic records management program is being used to replace an older case management program in Arbitration, and after a roll-out in early FY 2008, that system will be used by Mediation and OLA, reducing further the reliance on paper records.

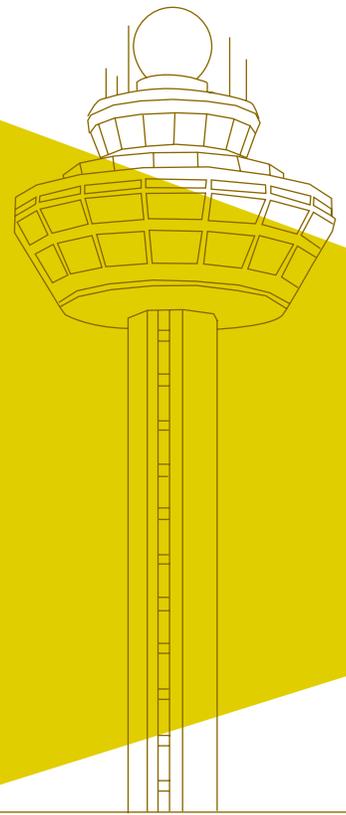
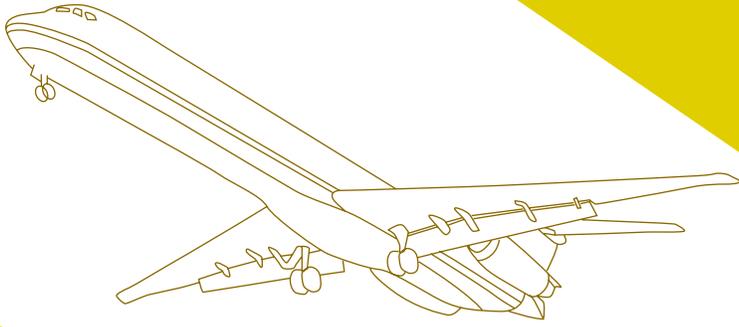
The core of the NMB records program is its Corporate Memory, a web-based archive and records system that allows for full redundancy and backup, and the ability for agency staff to access agency records and work from any location that has Internet access. With the addition of case management, NMB employees will also be able to access case information from any Internet access point.

**Information Technology.** As part of its ongoing efforts to comply with government-wide security and emergency requirements during FY 2007, the NMB developed a COOP (Continuity of Operations Plan) site. The NMB COOP features a fully redundant set of agency documents and records, accessible from remote locations. The NMB also continued to work with its new IT contractor to revamp and improve the agency's network, and to prepare for implementation of new, government-wide security settings which will be required in FY 2008.

**Public Information.** ADRS continued in FY 2007 to respond in a timely manner to inquiries from the public, the parties, and the Congress. The basic performance goal for public-call responses is one work day, same business day for press calls, and one work week for written correspondence. For the entire fiscal year, ADRS met its goals 99.19 percent of the time for 493 public calls, 97.22 percent of the time for 36 press calls, and 100 percent of the time for 77 letters.

During FY 2007, ADRS continued to build and improve the public archive of information available through the NMB Knowledge Store. Currently, the NMB Knowledge Store contains approximately 100,000 documents in an easily searchable format, including arbitration awards, NMB representation decisions, NMB annual reports, PEB reports, industry labor contracts, and union constitutions and by-laws. In FY 2008 the NMB will continue to fill in gaps in the collection, with the goal of fully documenting the Board's work since its inception in 1934. In FY 2007, ADRS further developed the meta-data associated with the collection, making searches for information faster and more targeted. In FY 2008, ADRS will continue to improve both its internal and public research sites.



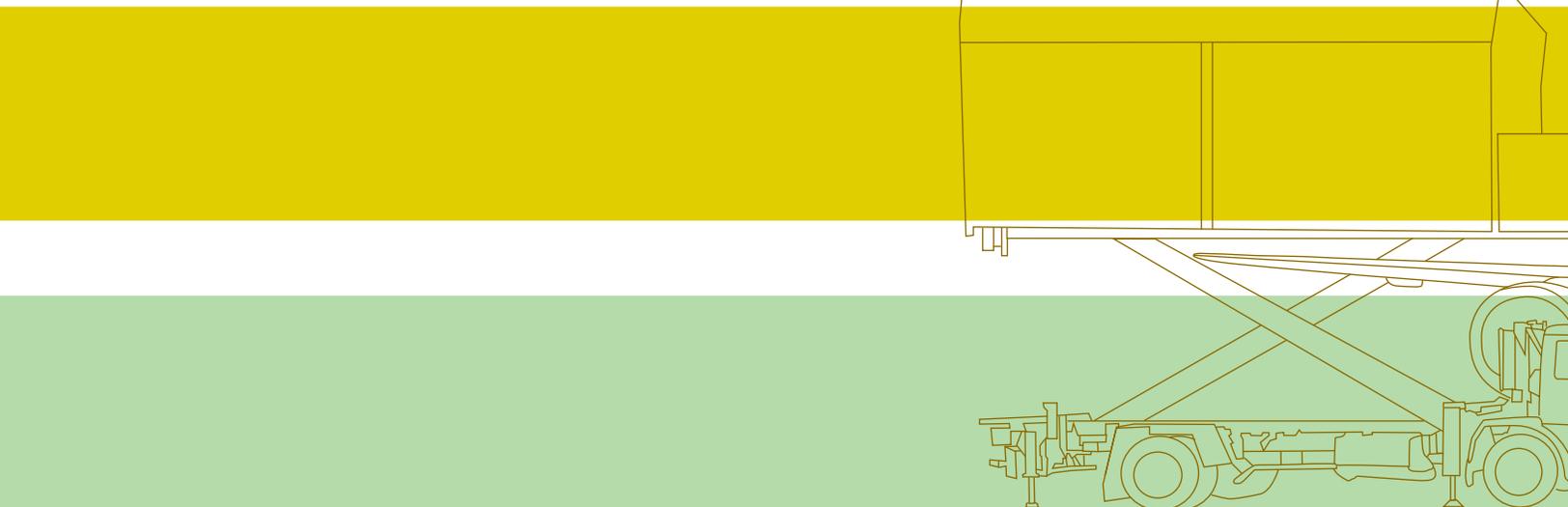


# PRESIDENTIAL EMERGENCY BOARDS

## OVERVIEW OF FISCAL YEAR 2007

**When the NMB determines that a dispute cannot be resolved in Mediation, the NMB proffers Interest Arbitration to the parties. Either labor or management may refuse the proffer and, after a 30-day cooling-off period, engage in a strike, implement new contract terms, or engage in other types of economic Self Help, unless a Presidential Emergency Board is established.**





If the NMB determines, pursuant to Section 160 (Section 10) of the RLA, that a dispute threatens substantially to interrupt interstate commerce to a degree that will deprive any section of the country of essential transportation service, the NMB notifies the President. The President may, at his discretion, establish a PEB to investigate and report respecting such dispute.

Status-quo conditions must be maintained throughout the period that the PEB is impaneled and for 30 days following the PEB report to the President. If no agreement is reached, and there is no intervention by Congress, the parties are free to engage in self help 30 days after the PEB report to the President.

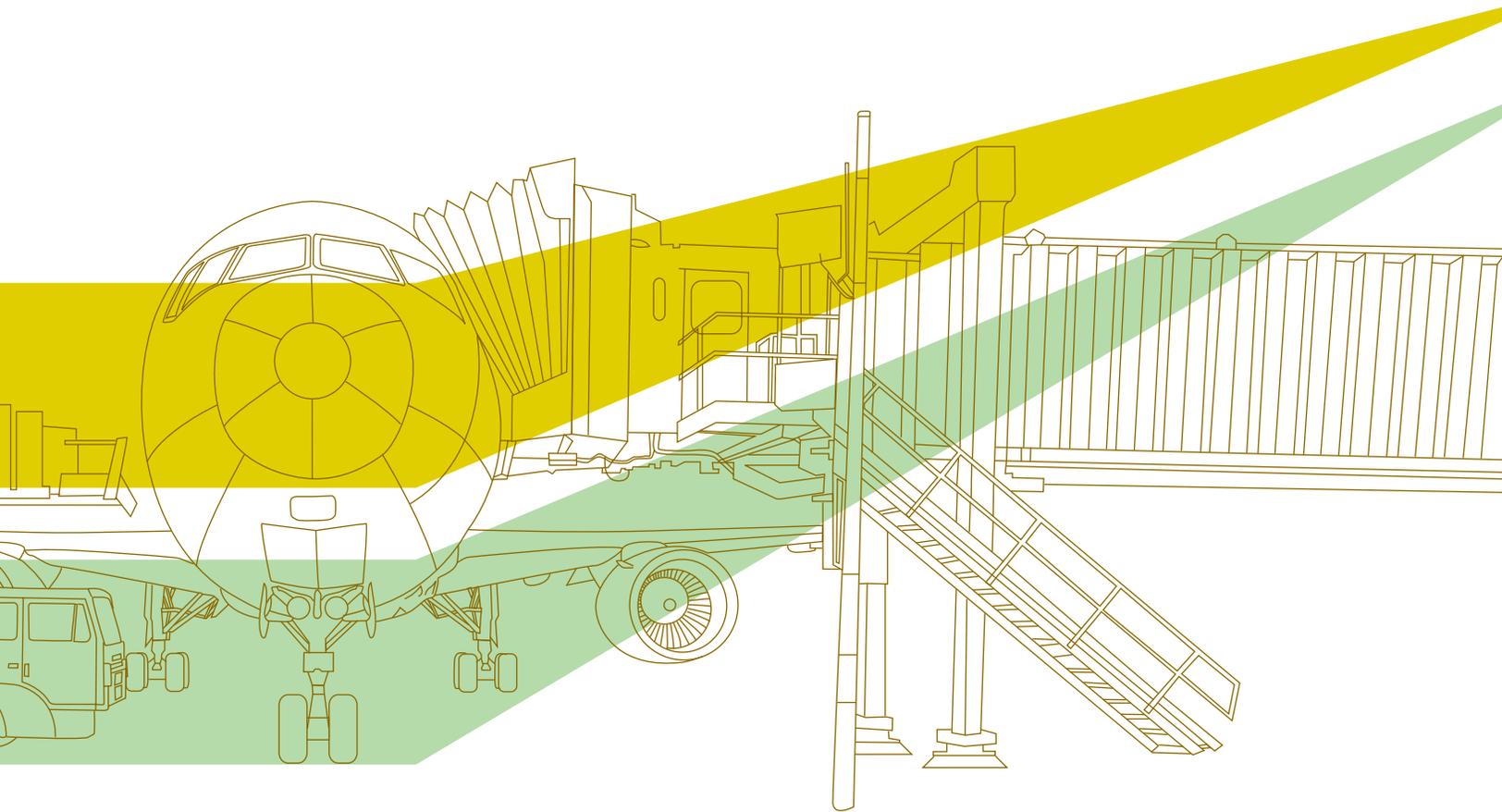
Apart from the emergency board procedures provided by Section 160 of the RLA, Section 159A (Section 9a) provides special, multi-step emergency procedures for unresolved disputes affecting publicly funded and operated commuter railroads and its employees. If the Mediation procedures are exhausted, the parties to a dispute or the Governor of any state where the railroad operates may request that the President establish a PEB. The President is required to establish such a board if requested. If no settlement

is reached within 60 days following the creation of the PEB, the NMB is required to conduct a public hearing on the dispute. If there is no settlement within 120 days after the creation of the PEB, any party or the Governor of any affected state, may request a second, final-offer PEB. No Self Help is permitted pending the exhaustion of these emergency procedures.

During fiscal year 2007, two PEBs were created, which are discussed below.

#### **HIGHLIGHTS OF FISCAL YEAR 2007**

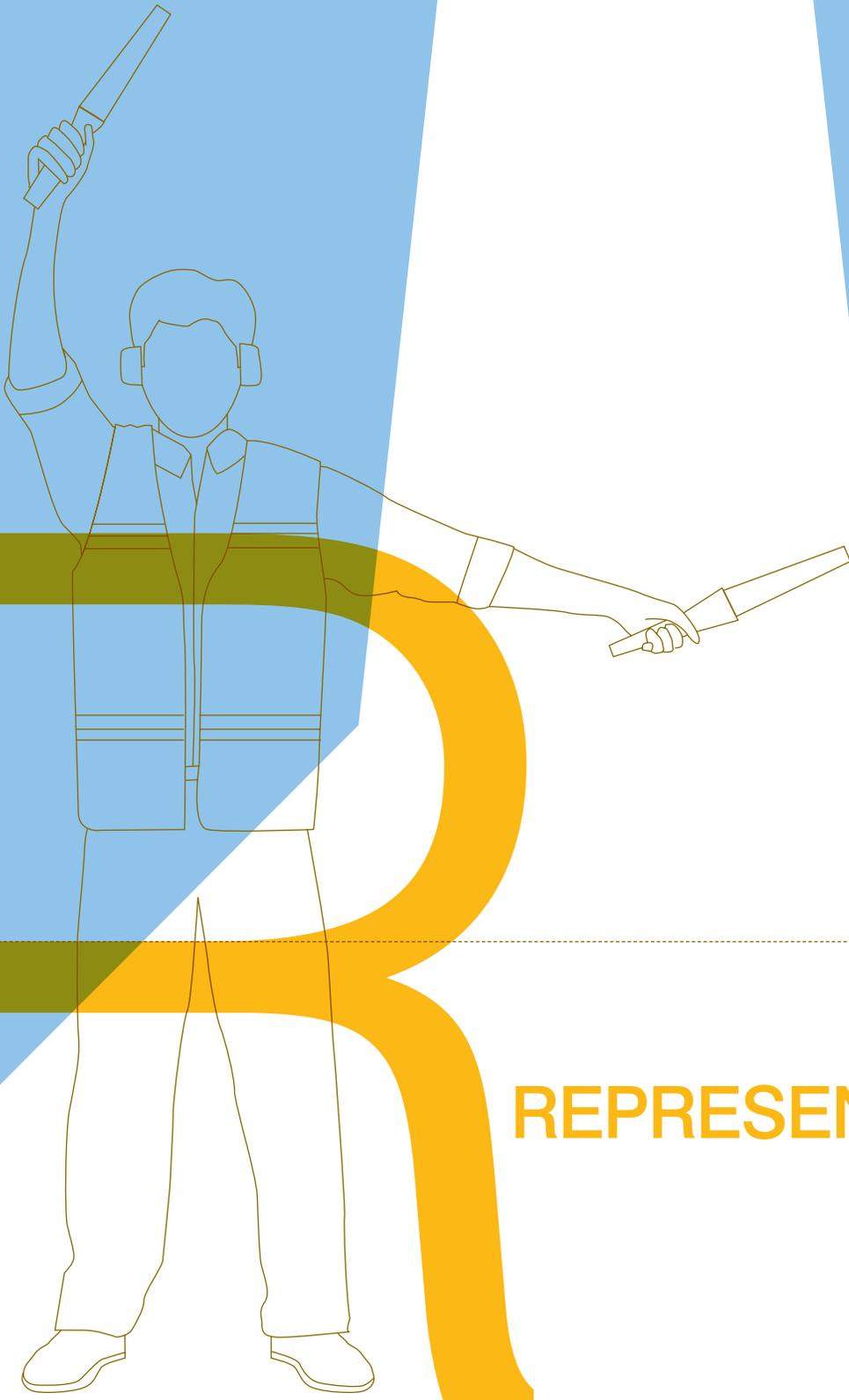
**Presidential Emergency Board 240.** On November 30, 2006, Metro-North Railroad requested that the President establish a PEB to investigate and issue a report and recommendations regarding its dispute with the Metro-North Coalition consisting of the following unions: Transportation Communications Industrial Union; Transport Workers Union of America; Sheet Metal Workers' International Association; International Association of Machinists & Aerospace Workers; International Brotherhood of Electrical Workers; Service Employees International Union - National Conference of Firemen & Oilers;



International Brotherhood of Teamsters; and Transportation Communications International Union - American Railway & Airways Supervisors Association. Effective December 7, 2006, the President created PEB 240 and appointed Peter W. Tredick as Chairman with Patricia Hanahan Engman and Robert E. Peterson as Members. The Board held meetings and hearings with the parties on December 18 and 19, 2006, and met with the parties on January 16, 2007. The PEB requested, and the President approved, an extension of time until January 19, 2007, to submit its report to the President. The Board submitted its Report to the President on January 19, 2007, but its recommendations did not immediately resolve the dispute.

**Presidential Emergency Board 241.** When the recommendations of PEB 240 did not result in a prompt resolution of the disputes, NMB Member Harry Hoglander conducted a public hearing on January 30, 2007, at which hearing the parties discussed their reasons for not accepting the recommendations of PEB 240. Subsequently, members of the Coalition reached agreement with Metro North, except for the IBT, which withdrew from the Coalition. On March 29, 2007, Metro-North requested that the President create a second

Emergency Board pursuant to Section 9(a)e of the RLA regarding its dispute with the IBT. The President created PEB 241, effective April 6, 2007 to make final-offer selections in accordance with the RLA. The President appointed Peter W. Tredick as Chairman with Ira F. Jaffe and Annette M. Sandberg as Members. The Board held meetings and hearings with the parties on April 24 and 25, 2007. The parties filed offers for settlement on May 2, 2007, and met informally with the Board on May 7 and 8, 2007. The parties were allowed an opportunity to submit amended final offers. Metro North submitted an amended final offer, but the IBT declined to do so. The parties submitted additional letters to the Board on May 11, 2007, and the Board submitted its Report to the President on May 15, 2007. The IBT subsequently reached agreement with the carrier.



**REPRESENTATION**

## OVERVIEW OF FISCAL YEAR 2007

**During FY 2007, the NMB's Office of Legal Affairs (OLA) continued to operate at a high level of quality and efficiency. As a review of customer service and performance standards will attest, the Agency's Representation program is in a state of constant improvement, delivering outstanding services to the parties and the public.**



The OLA staff closed and docketed an almost equal number of cases during this year (24 closed; 25 docketed). Although the number of representation cases filed during FY 2007 was lower than in previous years, the OLA staff had a higher than usual volume of non-representation legal work.

Effective October 1, 2007, the NMB will primarily conduct representation elections using Internet Voting to supplement Telephone Electronic Voting (TEV). Internet Voting is being implemented after months of research and testing. The TEV and Internet Voting systems are linked and administered by the same contractor who has been providing TEV services to the NMB since September 30, 2002. Voter confidentiality and ballot integrity are guaranteed by a system of dual passwords for each voter, and by a state-of-the-art system of encryption, firewall protection, and physical separation of information servers. The NMB contractor, who has extensive experience in the TEV and Internet Voting field, is also the contractor for numerous Fortune 500 companies which use these services for stockholder votes and other sensitive, information-gathering purposes.

### HIGHLIGHTS OF FISCAL YEAR 2007

Under the RLA, the selection of employee representatives for collective bargaining is accomplished on a system-wide basis. Due to this requirement and the employment patterns in the airline and railroad industries, the Agency's representation cases frequently involve numerous operating stations across the nation. In many instances, labor and management raise substantial issues relating to the composition of the electorate, jurisdictional challenges, allegations of election interference, and other complex matters which require careful investigations and rulings by the NMB.

Representation disputes involving large numbers of employees generally are more publicly visible than cases involving a small number of employees. However, all cases require and receive neutral and professional investigations by the Agency. The NMB ensures that the employees' choices regarding representation are made without interference, influence or coercion. The case summaries that follow are examples of the varied representation matters which were investigated by the NMB during FY 2007.

**Signature Flight Support / International Brotherhood of Teamsters.** The International Brotherhood of Teamsters, Local 478, filed a representation petition with the NLRB on July 21, 2004, seeking to represent all full-time and regular part-time concierges and customer service representatives at Signature Flight Support's (Signature) White Plains facility. Signature objected to the NLRB's jurisdiction, arguing that its employees and operations at White Plains were subject to the RLA. On April 15, 2005, the NLRB requested an NMB opinion regarding RLA jurisdiction over Signature's White Plains operations. In an opinion dated August 31, 2005, the NMB determined that Signature's White Plains operations were not subject to the RLA. Applying its two-part test for determining

whether an employer and its employees are subject to the RLA, the Board found that, although Signature's employees performed work traditionally performed by carrier employees, there was insufficient evidence of carrier control to establish RLA jurisdiction. Subsequently, on November 4, 2005, the NLRB issued a Decision and Direction asserting jurisdiction over Signature and remanded the case to Region 2 for further action.

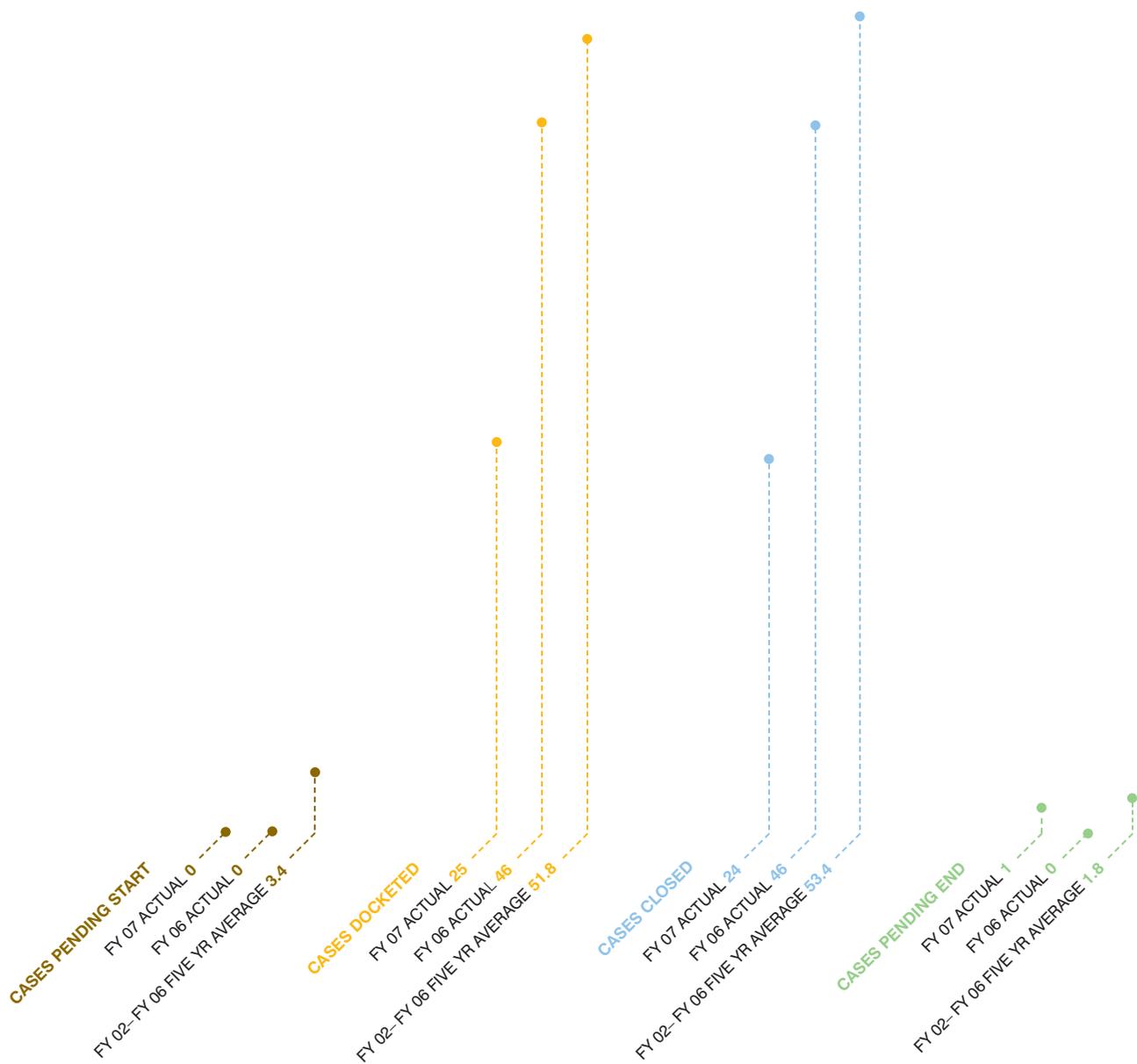
By letter dated January 27, 2006, the NLRB's Regional Director for Region 2 recommended that the NLRB consider resubmitting the jurisdictional issue to the NMB in light of "new evidence and legal arguments, not previously considered" by the NLRB or the NMB. In particular, the Regional Director cited evidence that Signature shared common ownership with Aircraft Services International Group, Inc. (ASII), whose operations have been found by the NMB to be subject to the RLA. On July 6, 2006, the NLRB requested a further opinion regarding the NMB's jurisdiction over Signature's White Plains operations.

The Carrier did not dispute the NMB's previous conclusion that Signature satisfies the first part of the NMB's jurisdictional test since its employees do perform work traditionally performed by airline employees. Signature contended that the second part of the NMB's jurisdictional test is satisfied if the employer in question is a subsidiary of a company which owns another subsidiary that is an RLA carrier, either directly or derivatively. In this case, Signature and ASII were commonly owned by BBA Aviation Shared Services (BBA Aviation). ASII's status as an RLA carrier has been recognized in numerous NMB and NLRB decisions. Accordingly, Signature asserted that it satisfied both parts of the NMB's jurisdictional test, because it is under common ownership with an RLA carrier.

Local 478 argued that ASII and Signature were distant corporate cousins and that RLA jurisdiction could not be predicated on such an indirect, non-ownership relationship. Local 478 also contended that Signature failed to demonstrate any basis for reversing the Board's prior opinion on jurisdiction.

On October 12, 2006, noting that there was no contention that BBA Aviation was a common carrier, the Board found that common ownership of a carrier and a non-carrier by a non-carrier holding company does not satisfy the second part of the NMB's jurisdictional test. Distinguishing the cases cited by Signature, the NMB noted that, in each case, it did not rely solely on common ownership by a non-carrier to support RLA jurisdiction. The NMB stated that BBA Aviation, a non-carrier, provided common services to ASII and Signature and that ASII exerted no meaningful control over Signature's day-to-day operations. The NMB further stated that the second part of the jurisdictional test requires indirect or direct ownership by a carrier and that such ownership was not present in this case. As a result, the NMB upheld its previous opinion that Signature is not subject to the RLA.

# REPRESENTATION CASES



**Timber Rock Railroad / United Transportation Union.**

On September 26, 2006, the United Transportation Union (UTU) filed an application seeking to represent the craft or class of Train and Engine Service Employees of Timber Rock Railroad. The Carrier filed a request to stay the proceedings on October 16, 2006. The UTU responded, requesting that the Board deny the Carrier’s request and move forward with the proceedings.

In its stay request, the Carrier argued that there would be a “dramatic change in the composition of the craft or class of employees at issue” due to a cancellation of a lease transaction with BNSF Railway (BNSF). The Carrier contended that until the consummation of the transaction with BNSF, proceeding with the election would make it impossible to determine the eligible voters and would not effectuate the purposes of the Act. The UTU argued that allowing a stay would cause substantially greater harm than allowing the election to proceed.

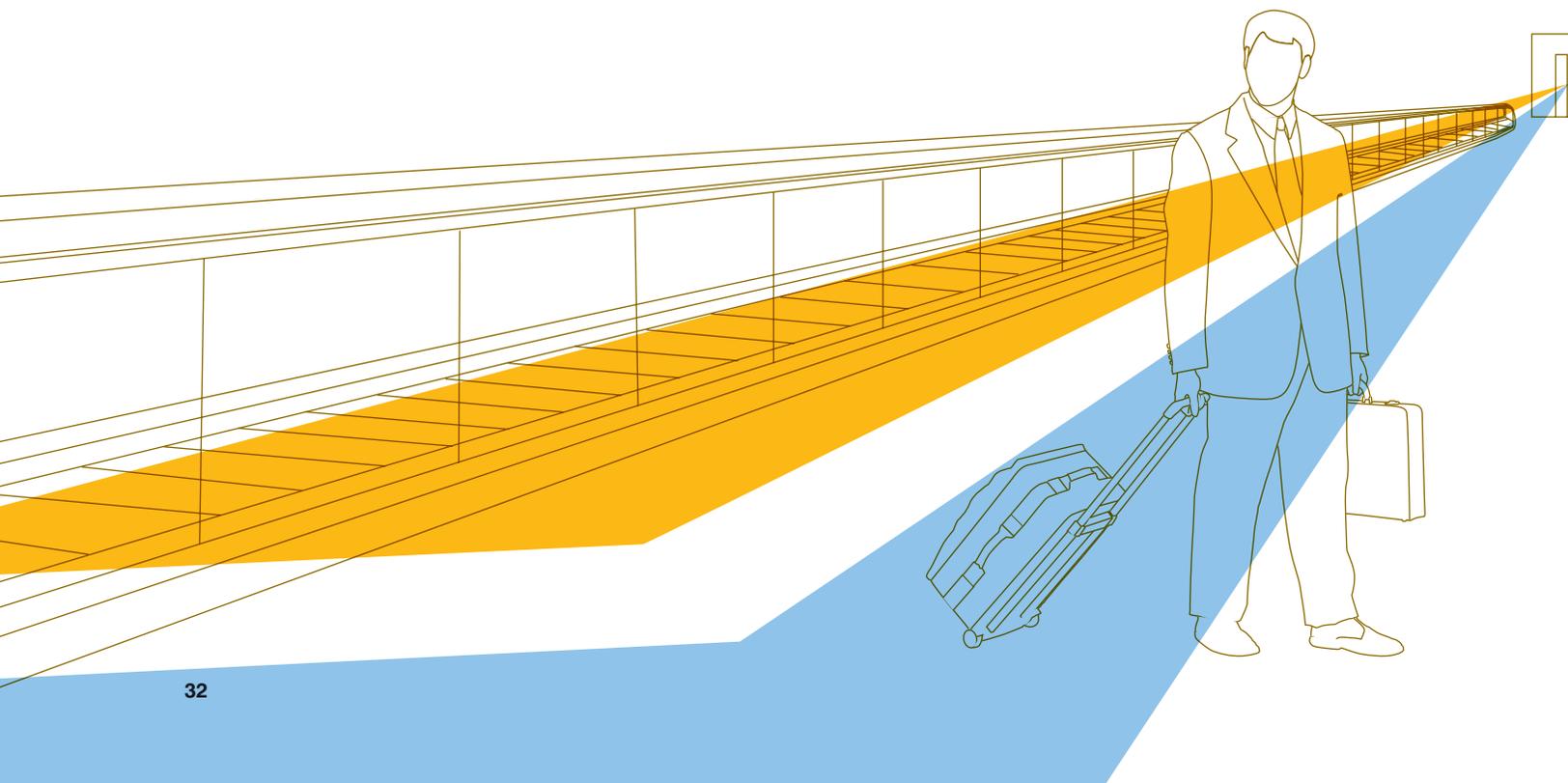
In denying the Carrier’s request for a stay, the Board reiterated its longstanding policy to resolve representation disputes as expeditiously as possible and its consistent practice to proceed with representation elections, unless the Board, itself, finds it necessary to delay due to unusual or complex issues, or the Board is barred by court order. The NMB found that Timber Rock was requesting a stay based upon a future transaction that may or may not change the composition of the craft or class. Therefore, on November 1, 2006, the Board concluded that the speculative nature of the event was insufficient to delay an election.

**Union Pacific Railroad / American Train Dispatchers Association.**

The American Train Dispatchers Association (ATDA) filed an application with the NMB on January 6, 2006 seeking to represent Train Dispatchers at Union Pacific Railroad. An election was authorized, and the tally was conducted on March 15, 2006. The ATDA application was dismissed on March 16, 2006. The ATDA filed a charge of election interference on March 22, 2006 and requested a Laker-ballot election.

In its interference allegations, the ATDA asserted that the Carrier engaged in behavior that tainted laboratory conditions by bombarding the employees with campaign communications; conducting an unprecedented number of meetings; granting wage increases; implementing new benefits and reward programs; soliciting employees to discuss union representation; engaging in surveillance; and providing the Board with inaccurate employee addresses. The Carrier denied the allegations, stating that it complied with all requirements of the RLA and only communicated with its employees to the extent allowable under the First Amendment. On April 12, 2006, the Board found that the ATDA’s allegations stated a prima facie case that laboratory conditions were tainted.

On November 6, 2006, the Board concluded that the laboratory conditions required for a fair election were not tainted and denied ATDA’s request for a Laker ballot. The Board found that, although the Carrier significantly increased its communications with the employees during the laboratory period, that increase alone was insufficient to prove that laboratory conditions were tainted. The Board



also found that (1) increases were pre-planned, consistent with practice, and independently justified by business considerations, (2) the Carrier's statements regarding pay and benefits did not taint laboratory conditions, and (3) there was insufficient evidence that the Carrier was engaging in solicitation of employees or that the Carrier was engaging in or creating an impression of surveillance of Train Dispatchers. Finally, the Board found that there was insufficient evidence that the Carrier deliberately provided the Board with inaccurate addresses in order to interfere with the election.

**Florida Northern Railroad / United Transportation Union.** On February 7, 2007, the United Transportation Union (UTU) filed two applications alleging a representation dispute involving employees on Florida Northern Railroad. The UTU sought to represent the Train and Engine Service Employees and the Trackmen, Maintenance of Way Employees, and Signalmen. Florida Northern requested the Board investigate whether Florida Northern, Florida Central Railroad, and Florida Midland Railroad were operating as a single transportation system. Further, Florida Northern sought Board determination as to the proper craft or class for representation purposes.

The UTU argued that Florida Northern was a separate transportation system from Florida Midland and Florida Central since the three Florida lines had completely contiguous service, covered different geographic regions, and employed different individuals. The UTU also contended that having two crafts or classes would help in streamlining the railroad's operations. The Carrier asserted that the evidence established that Florida

Central, Florida Northern, and Florida Midland constituted a single transportation system: common ownership and management; integrated labor and personnel operations; standardized uniforms; and common insignia. Additionally, Florida Northern stated that its employees were part of a single craft or class of cross-trained and cross-utilized Operating and Non-Operating Employees.

On May 1, 2007, the Board found that Florida Central, Florida Northern, and Florida Midland were operating as a single transportation system. The Board noted that the three Florida railroads were commonly owned by Pinsky Railroad Company, Inc., and that Pinsky controlled the capital, operating budget, and finances of the three entities and appointed the same individuals as directors of the three railroads. The Board also noted that all operations were centralized; the three entities shared two local Florida tariffs, common management team, one physical location, and a common phone, fax, and email address; and all employees wore standardized uniforms featuring the Pinsky logo and the names of the three Florida railroads.

In order to determine the amount of cross-utilization, the Board directed Florida Northern to provide the payroll of all non-management employees for the month of January. This evidence established that employees spent 93 percent of their time working in their assigned duty position within either the Operating or Non-Operating craft or class. This evidence further established that each group shares a community of interest and that two separate crafts or classes is appropriate. Therefore, the Board found that the appropriate craft or class at Florida Northern was Operating and Non-Operating Employees.





ARBITRATION

## OVERVIEW OF FISCAL YEAR 2007

The level of grievance activity handled through the NMB Arbitration program has been relatively consistent when compared to the activity in FY 2006. During FY 2007, the parties brought 4,929 new cases to arbitration as compared to 5,537 cases in FY 2006. 4,042 cases were closed in FY 2007 compared to 5,454 in FY 2006, leaving 5,551 cases pending at the end of the fiscal year. Cases pending at the end of FY 2007 was 887 more than the number pending at the end of 2006.



## ARBITRATION SERVICES GOES PAPERLESS

Hard pressed for space to store submissions by the parties at the NRAB, files at the agency's Chicago office overflowed onto cabinet tops in the file room and took over a conference room. The NMB Arbitration program completed its efforts to streamline and modernize its operational procedures. The NMB instituted electronic filings in all phases of the grievance and arbitration process. Documents and records management were modernized with the conversion of records to the agency's all electronic, paperless Records Management System.\*

FILE ROOM



BEFORE



AFTER

CONFERENCE ROOM



BEFORE



AFTER

\* During FY 2006, the National Archives and Records Administration approved the NMB's proposed all-electronic records schedule, giving the NMB the first completely paperless records management system in the U.S. Federal Government.

### HIGHLIGHTS OF FISCAL YEAR 2007

On several occasions during this fiscal year, the Agency met with a working group of representatives from the Section 3 Committee to review its caseload. The Committee is comprised of labor and management representatives from Class I freight railroads and commuter carriers. The NMB's efforts have been directed to reducing the backlog, which would result in a more efficient Section 3 process meeting the Railway Labor Act's objective of the prompt resolution of minor disputes.

During the past year, the NMB continued its actions designed to improve the arbitration of grievances under Section 3. The Board had five ambitious goals for this transformation: (1) to ensure that the parties receive timely and outstanding arbitration services from the Board's staff and its contract arbitrators; (2) to ensure that the Board uses e-business capabilities to the maximum extent possible; (3) to ensure that Board procedures are improved through a rulemaking process involving public input; (4) to ensure that arbitrators schedule, hear, and decide cases in a timely manner; and (5) to ensure that NMB resources are used wisely and in accordance with Federal regulations and sound accounting practices.

**Annual Case Audit.** In May 2007, the NMB conducted an intensive audit of all cases pending before Public Law Boards and Special Boards of Adjustment. The

Agency provided the Class I freight railroads, commuter railroads, regional railroads, and all labor organizations representing railroad employees with a list of cases pending on these boards. The NMB asked the parties to report any discrepancies between its records and the Agency's list. In June 2007, a similar audit was conducted at the NRAB.

#### **Alternative Dispute Resolution in the Railroad Industry.**

The NMB actively promoted Grievance Mediation as an alternative means of dealing with grievances in the railroad industry by reaching out to the largest Class I freight carriers and labor organizations. During FY 2007, the Board attended several UTU and BLET regional meetings of general chairmen to promote Grievance Mediation as a means of resolving disputes.

**Increasing Arbitrator Productivity.** The NMB continued its efforts to increase arbitrator productivity through rigorous enforcement of the six-month rule: arbitrators who have not issued a decision within six months of a hearing are contacted monthly and encouraged to issue those decisions. Through these efforts, the Agency met this performance goal in approximately 85 percent of the cases on Public Law Boards and Special Boards of Adjustment and 79 percent of the cases at the NRAB.

The Agency improved its already successful program of using the NMB website as a source for many of the forms and documents needed by arbitrators and the parties. The

NMB used the website to keep the parties and the public informed regarding Section 3 activities. Arbitrators, parties, and the public use the website to obtain information and forms instantaneously. The availability of information on the website reduces the staff time which ordinarily would be required to respond to questions and requests.

In FY 2007, PATH and IBT arbitrations were conducted using the NMB Online Video-conferencing Center. This year, the NMB commenced giving recognition on the website to all arbitrators who have online experience or are so trained, so that the parties can be informed and may use these arbitrators. The NMB also updated its Roster of Arbitrators and placed the Roster on the website. A resume for each of the arbitrators is now available on the NMB website.

With the assistance of the NMB, the Union Pacific Railroad and the United Transportation Union conducted an arbitrator training program, which resulted in the use of 20 new arbitrators: individuals new to railroad arbitration but not new to the arbitration of labor disputes. The NMB also conducted a similar project with the Norfolk Southern and the United Transportation Union, which resulted in the addition of 3 more arbitrators. The end result was an increase of 23 in the number of arbitrators used by the parties in railroad arbitration. The NMB is unaware of any year in which such a large number of new arbitrators have been used by the parties.

**Rulemaking.** In FY 2004, the NMB proposed amending its general administrative rules to improve and expedite the administration of arbitration programs. The principal purpose of the proposed rule is to provide a time frame for the resolution of labor grievances. Under the proposed rule, decisions on grievances will normally have to be issued within one year of the filing of the grievances. The proposed rule clarifies the status of arbitrators with respect to the NMB and parties in dispute. The rule also provides for the consolidation of minor disputes by the NMB when this will serve the interests of economy and efficiency in the Board's administration of its program of arbitration. Finally, the proposed rule provides for the imposition of filing fees. By imposing modest filing fees, along with a grievance resolution schedule, the NMB hopes to foster faster resolution of minor labor disputes. Prior to proposing the rule, the NMB sought input from the parties through the publication of an advanced notice of proposed rulemaking. The NMB also held a public hearing on the rulemaking.

During FY 2005, the NMB held a second public hearing on the issues relating to the NMB's proposal regarding the establishment of a fee schedule for certain arbitration services. The hearing was held on January 11, 2005. At the end of FY 2007, the matter remains under consideration.

## ARBITRATION CASES

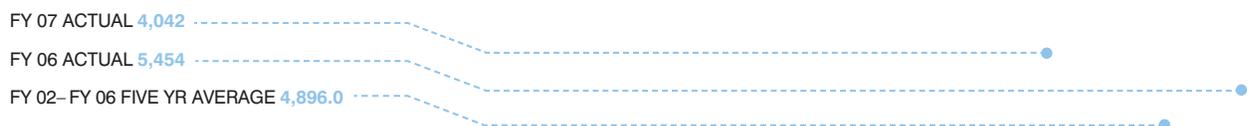
### CASES PENDING START



### CASES DOCKETED



### CASES CLOSED



### CASES PENDING END





A

ADMINISTRATION

## OVERVIEW OF FISCAL YEAR 2007

**The primary management and support programs for the NMB are housed within the Office of Administration. These functions include: budget and finance; human resources; accounting and procurement; information technology and telecommunications; property and space management; and office support. From a budgetary standpoint, the majority of the above mentioned costs are contained in the Mediation section of the budget. Because human resources, information technology and records management functions are outsourced, the cost for these activities is prorated among the three program areas of Mediation, Representation, and Arbitration.**



## HIGHLIGHTS OF FISCAL YEAR 2007

The Government-wide initiatives for the key NMB activities during FY 2007 include the following:

**Strategic Management of Human Capital.** The Agency makes use of many hiring flexibilities to recruit and retain its workforce. These flexibilities include the use of (1) recruitment bonus to attract and retain qualified professionals and (2) the utilization of a Student Loan Repayment Program as an additional inducement for retention. During FY 2007, the agency had four employees participate in the student loan repayment program. To improve the Human Resources and Personnel Security areas, the Office of Personnel Management (OPM) conducted audits during this fiscal year. The NMB will use the results from these audits to improve its operations.

In planning for emergency situations that may arise, the NMB has updated its Continuity of Operation Plan (COOP) to address pandemic influenza.

**Competitive Sourcing.** The NMB has successfully outsourced three of its activities, human resources, information technology and records management. The Agency continues to use sound management practices and structures to deliver human resources management services with the combination of an on-site consultant, cross servicing with the General Services Administration and in-house staff to deliver high quality, cost-effective services to its employees. With the new initiative of career paths, the NMB hopes this will aid in providing a more diverse and skilled workforce to meet its strategic and performance goals.

The Board has benefited greatly from its outsourcing of information technology. This arrangement keeps the agency on track with the constant changes in information technology. With the backing of an entire company, the agency is able to draw on various specialties when new requirements arise. During this fiscal year, the agency was tasked like all agencies, with the planning and implementation of standard desktop configurations. The Board is confident, based upon its action plan, of being compliant by the February 1, 2008 deadline.

In the area of procurement, the NMB has implemented a three level approach to its data entry into the Federal Procurement Data System - Next Generation (FPDS-NG)

to ensure that the data is accurate. This approach provides an internal review of the data before and after the data is entered into the system. By November 15 of each year, the NMB will certify the completeness and accuracy of its data.

**Improved Financial Performance.** The NMB has an accounting system that meets all the current financial management requirements. This system has enabled the agency to close its monthly financial records within one business day. The agency's budget is consistent with the agency's strategic and performance goals. The costs for all departments within the agency are accounted for separately in the accounting system to provide further accounting detail of program costs.

The Office of Administration (OA) provides budget planning, budget development, and oversight of budget execution. In addition, OA is responsible for the maintenance of the Agency's core accounting system; financial reporting to the Office of Management and Budget (OMB) and Treasury; payments to vendors for goods and services received; issuing bills; and the preparation of the Agency's financial statements which are audited on an annual basis.

In the area of budget and finance, OA is responsible for the development, analysis, and execution of the NMB's annual budget to the Office of Management and Budget and the Congress. This overall responsibility covers budget formulation and development, implementation and management of appropriate budget operations, and control processes through development and execution of departmental operating plans.

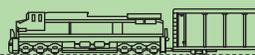
The NMB continues to work with an outside audit firm to audit its financial statements. With the accelerated Governmental timeframes for completing financial audits within 45 days from the end of the fiscal year, the Agency has begun the preliminary audit process with an outside audit firm for the current fiscal year. The Agency's overall performance will be published in the Accountability Report and placed on the web site by November 15, 2007.

In accordance with the Agency's management control plan, the NMB has one of its program or support areas reviewed annually. The internal review conducted in the area of the Office of Alternative Dispute Resolution Service showed no material weakness.

# PERFORMANCE PLAN AND RESULTS (GPRA)

The NMB 2007 Performance Plan is driven by the Agency's five-year Strategic Plan which contains outcome goals for the Agency's principal programs. This report contains FY 2007 Accomplishments and FY 2008 Expectations for achieving generalized goals and specific objectives for Mediation, Alternative Dispute Resolution, Representation, and Arbitration.

The budget resources requested by the NMB, along with its allocated full-time equivalent positions, enable the agency to achieve the goals contained in the strategic plan and the annual performance plan. These resources enable the NMB to meet its statutorily mandated obligations and provide services to its airline and railroad labor-management and public customers.



# PERFORMANCE AND GOALS

## **STRATEGIC PLAN GENERAL GOAL 1 MEDIATION**

The Office of Mediation Services will continue to foster the prompt and peaceful resolution of collective bargaining disputes in the airline and railroad industries.

### **I. Establish an internal Standard Code of Practice for mediators.**

#### **FY 2007 Accomplishments**

Mediator Policy and Procedure Manual was updated as a first step in working on a standard code of conduct

#### **FY 2008 Expectations**

Form a committee of mediators to draft a Standard Code of Practices for mediator review and submission to Senior Mediators and the Department Director.

### **II. Continue to develop standard training for mediators to ensure they are kept abreast of the latest trends in mediation and gain additional industry and technical knowledge in both air and rail.**

#### **FY 2007 Accomplishments**

Due to budget constraints and the late filling of two mediator slots, a planned training retreat was postponed.

#### **FY 2008 Expectations**

Conduct in-house training session as permitted by budget.

### **III. Better track the history of cases.**

#### **FY 2007 Accomplishments**

Work continued on the development of a new program with Arbitration and Representation

#### **FY 2008 Expectations**

Implementation of a new program for case management

### **IV. Ensure that mediator qualifications match the needs of the industries.**

#### **FY 2007 Accomplishments**

This goal has been met and no further action is necessary

## **STRATEGIC PLAN GENERAL GOAL 2 ALTERNATIVE DISPUTE RESOLUTION (ADR)**

The Office of ADR Services will continue to undertake dispute resolution efforts that encourage the parties in the airline and railroad industries to resolve grievances and bargaining disputes in a voluntary, cooperative manner.

### **I. Expand current ADR capabilities to address the changing labor environment in the airline and railroad industries and provide more varied assistance in dispute resolution, both between and during contract negotiations.**

#### **FY 2007 Accomplishments**

During FY 2007, ADRS integrated System Board training into the specialized list of training courses, and using input from the parties, updated, refined, and improved the standard course offerings. Also during FY 2007, ADRS added Facilitated Problem Solving to the list of standard course offerings. Working with the parties, ADRS developed and began to use a customized grievance mediation video in GM training courses.

#### **FY 2008 Expectations**

During FY 2008, ADRS will conduct “train the trainer” workshops for NMB Mediators to update their training skills and integrate new training material. ADRS will continue to update and improve its existing training programs and facilitation programs to better serve the parties.

### **II. Pursue interagency projects, including personnel exchange programs, to enhance labor-management relations throughout the airline and railroad industries.**

#### **FY 2007 Accomplishments**

During FY 2007, ADRS continued to participate in numerous interagency and professional associations, including the Inter-Agency Dispute Resolution Working Group Steering Committee, and the Association of Labor Relations Agencies.

#### **FY 2008 Expectations**

All of the work from FY2007 will be ongoing in FY 2008.

### **III. Engage in outreach and education programs to ensure that the NMB is seen as a world leader in airline and railroad labor-management issues.**

#### **FY 2007 Accomplishments**

During FY 2007, ADRS staff participated in a number of public presentations, including conference presentations for the American Bar Association Section on Dispute Resolution, the Association for Conflict Resolution, and the Fifth Annual International ODR Forum.

#### **FY 2008 Expectations**

During FY 2008, ADRS will maintain an active outreach program, and will continue to represent the NMB at regional, national, and international conferences.



### **STRATEGIC PLAN GENERAL GOAL 3: REPRESENTATION**

The Office of Legal Affairs (OLA) will promptly investigate representation disputes and definitively resolve representation status for collective bargaining purposes, using the most efficient and client-friendly methods available.

#### **I. Expand the use of electronic systems to further streamline operations and reduce cost.**

##### **FY 2007 Accomplishments**

In FY 2007 the Office of Legal Affairs (OLA) analyzed the results of tests it had conducted on an Internet-based voting system.

##### **FY 2008 Expectations**

Based upon FY 2007 testing, the NMB will implement an Internet-based voting system in FY 2008. The TEV and Internet Voting systems will be linked and be administered by the same contractor that has been providing TEV services to the NMB since September 30, 2002. OLA will continue to expand its electronic case filing system and set up a pilot program for accepting electronic submissions from participants.

#### **II. Develop outreach opportunities in the legal, labor relations and alternative dispute resolution communities.**

##### **FY 2007 Accomplishments**

In FY 2007, OLA continued its outreach to the legal, labor relations and alternative dispute resolution communities. OLA attorneys helped plan the agenda for and were panelists at the American Bar Association (ABA) Railroad and Airline Labor Law Section's Mid-winter meeting. The Association of Labor Relations Agencies recently held its annual conference in Toronto, Canada, and OLA played a significant role in planning this international conference of leading labor relations practitioners.

##### **FY 2008 Expectations**

In FY 2008, OLA attorneys will serve as faculty for three courses: a 2.5 day course on the Railway Labor Act sponsored by ALI-ABA; another course for the ABA Labor and Employment Law Section's Continuing Legal Education Conference to be held in Philadelphia, Pennsylvania; and a third course at the mid-winter meeting for the ABA Labor and Employment Law Section's Railway and Airline Labor Law Committee.

#### **III. Enhance recruitment and training of attorneys.**

##### **FY 2007 Accomplishments**

In FY 2007, OLA worked with Washington, D.C. area law schools to provide internship opportunities for law students interested in pursuing careers in labor law. In addition, OLA attorneys volunteered to judge law school appellate advocacy competitions sponsored by the ABA to increase awareness of the Railway Labor Act and the National Mediation Board.

##### **FY 2008 Expectations**

OLA will continue to seek opportunities for enhancing the performance of the attorneys and improving outreach activities to maintain a diverse pool of applicants for attorney positions.

#### **IV. Implement and maintain concise, relevant reference materials, readily available to the public, which reduce the number of staff-hours used to research and respond to inquiries.**

##### **FY 2007 Accomplishments**

Attorneys in the Office of Legal Affairs served as editors of the authoritative treatise on Railway Labor Act Law published by BNA in 2006; in FY 2007 we worked on the supplement to the treatise. In addition, representation decisions are now available on-line both through the NMB's web-site and the newly created NMB Knowledge Store.

##### **FY 2008 Expectations**

Work on a supplement to the treatise developed in FY 2006 on the Railway Labor Act will continue in FY 2008. Continue to update and improve the material available on the NMB web site, and work with ADRS to move public information to the NMB Knowledge Store.

#### **V. Maintain continuous industry and agency communication at a level that provides early preparation for Presidential Emergency Board management.**

**FY 2007 Accomplishments**

The Office of Legal Affairs coordinated with the Office of Mediation Services regarding the creation of PEB 240 and 241.

**FY 2008 Expectations**

OLA will continue to coordinate efforts with the Office of Mediation Services to identify potential disruptions which may lead to a Presidential Emergency Board.

**STRATEGIC PLAN GENERAL GOAL 4:  
ARBITRATION**

Arbitration will promote the prompt and orderly resolution of grievance disputes in the railroad and industries.

**I. Modernize and update procedures related to NRAB cases (Section 3) and other arbitral forums (Public Law Boards and System Boards of Adjustment).****FY 2007 Accomplishments**

The NMB dedicated a separate electronic mailbox for the submission of all documents concerning Section 3 matters. NRAB administrative processes as well as the procedures governing Public Law Boards and System Boards of Adjustment were reviewed with the goal of streamlining the procedures. A new case management system was implemented.

**FY 2008 Expectations**

Further reviews are scheduled for Fiscal Year 2008.

**II. Foster a “best practices” approach to managing the contract arbitrator roster.****FY 2007 Accomplishments**

The NMB instituted several projects to help the parties better utilize the NMB’s Roster of Arbitrators. One project involved the Union Pacific Railroad and the United Transportation Union. Another project was initiated involving the Norfolk Southern Railroad. The NMB’s Roster of Arbitrators and resumes were placed on the agency’s web site.

**FY 2008 Expectations**

The NMB will complete a transfer of arbitrator roster information to a new case management system. New guidelines for accepting applicants to the roster will be issued.

**III. Foster a “best practices” approach to managing arbitrator billing and payment.****FY 2007 Accomplishments**

The NMB initiated a review of its arbitrator billing and payment process.

**FY 2008 Expectations**

A more equitable and efficient arbitrator billing process will be completed and implemented.

**IV. Integrate current technology into the arbitration process.****FY 2007 Accomplishments**

The NMB instituted its web-based video system as a means of conducting appellate hearings. The NMB trained several arbitrators, railroad management officials and labor officials in its use. Hearings were conducted in Online Arbitration during Fiscal years 2006 and 2007.

**FY 2008 Expectations**

Continue to integrate Arbitration business processes into the NMB Corporate Memory program; cooperate with Mediation, ADR, and Representation to improve the agency case management system; and continue to encourage the parties to use the agency’s web-based video system to reduce costs for arbitration hearings and adoption conferences.



# FINANCIAL REPORTS (FFMIA) CFO LETTER

OCTOBER 17, 2007

The National Mediation Board (NMB) is pleased to present its Performance and Accountability Report for Fiscal Year (FY) 2007.

A top priority of the Director of Administration has been sound financial management. In order to achieve this objective, the NMB has a financial audit performed every year. This is the 10th consecutive year that the NMB has received an unqualified audit opinion from its auditors, Allmond and Company, with no material weakness.

This fiscal year, the Office of Administration transitioned to a paperless environment. This accomplishment will allow the NMB to enhance its services to our internal and external customers.

Our primary goal remains to strengthen our financial systems to efficiently support the achievement of the agency's mission by providing accurate and timely financial information to assist management in its decision making and to influence results. The NMB will continue to provide high quality financial management services and financial reporting and to responsibly manage its assets, resources, and programs.



**June D.W. King**

Director, Office of Administration

# AUDIT REPORT

**SEPTEMBER 30, 2007**

Allmond & Company  
Certified Public Accountants  
8181 Professional Place, Suite 250  
Landover, Maryland 20785  
(301) 918-8200

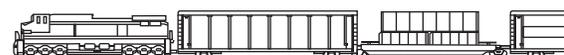
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# INDEPENDENT AUDITOR'S REPORT

## BOARD MEMBERS

### National Mediation Board

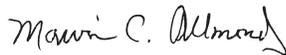
We audited the accompanying balance sheet of the National Mediation Board (NMB) as of September 30, 2007, and the related statements of net cost, changes in net position, and statement of budgetary resources for the year then ended (the principal financial statements). These financial statements are the responsibility of NMB management and were prepared by NMB in accordance with Office of Management and Budget (OMB) Circular A-136, *Form and Content of Agency Financial Statements*, as amended. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with *Government Auditing Standards*, auditing standards generally accepted in the United States, and OMB Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the principal financial statements referred to above present fairly, in all material respects, the financial position of NMB as of September 30, 2007, and its net costs, changes in net position, and budgetary resources for the year then ended in conformity with accounting principles generally accepted in the United States.

We issued a draft of this report to NMB management and requested its comments. Management replied by indicating its general agreement with the audit results. In accordance with *Government Auditing Standards*, we issued separate reports dated October 17, 2007 on NMB's internal control and compliance with laws and regulations. Our reports on internal control and compliance are an integral part of an audit conducted in accordance with *Government Auditing Standards* and, in considering the results of the audit, those reports should be read together with this report.

### Allmond & Company



**Marvin C. Allmond, CPA**

October 17, 2007, Landover, Maryland

# INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

## BOARD MEMBERS

### National Mediation Board

We audited the accompanying balance sheet of the National Mediation Board (NMB) as of September 30, 2007, and the related statements of net cost, changes in net position, budgetary resources, and financing for the year then ended (the principal financial statements) and issued our report thereon, dated October 17, 2007. We conducted our audit in accordance with *Government Auditing Standards*, auditing standards generally accepted in the United States, and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*.

In planning and performing our audit, we considered NMB's internal control over financial reporting by obtaining an understanding of NMB's internal control, determining whether internal control had been placed in operation, assessing control risk, and performing tests of control to determine auditing procedures for the purpose of expressing our opinion on the principal financial statements. We limited internal control testing to that necessary to achieve the objectives described in OMB Bulletin No. 07-04. We did not test all internal control relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982, such as the internal control relevant to ensuring efficient operations. The objective of our audit was not to provide assurance on internal control. Consequently, we do not express an opinion on internal control.

With respect to internal control related to performance measures reported in NMB management's overview, we obtained an understanding of the design of significant internal control relating to the existence and completeness assertions, as required by OMB Bulletin 07-04. We also assessed control risk relevant to NMB intra-agency transactions and balances. Our procedures were not designed to provide assurance on internal control over reported performance measures, and accordingly, we do not express an opinion on such control.

Our consideration of internal control over financial reporting would not necessarily disclose all matters that might be reportable conditions. Under standards issued by the American Institute of Certified Public Accountants, significant deficiencies are matters coming to our attention relating to ineffective design or operation of internal control that, in our judgment, could adversely affect NMB's ability to record, process, summarize, and report financial data consistent with assertions by management in the financial statements.

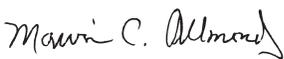
Material weaknesses are reportable conditions in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Because of inherent limitations in internal control, misstatements, losses, or noncompliance may nevertheless occur and not be detected. We noted no conditions involving internal control and its operation that we consider significant deficiencies.

### Status Of Prior-year Recommendations

In the FY 2006 report on internal control, we did not describe any significant deficiencies. Accordingly, no follow-up action is outstanding as it relates to resolving significant deficiencies.

We issued a draft of this report to NMB management and requested its comments. Management replied by indicating its general agreement with the audit results. This report is intended solely for the information of NMB management, OMB, and Congress. This report is not intended to be and should not be used by anyone other than these specified parties.

### Allmond & Company

  
**Marvin C. Allmond, CPA**

October 17, 2007, Landover, Maryland



# INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

## BOARD MEMBERS

### National Mediation Board

We audited the accompanying balance sheet of the National Mediation Board (NMB) as of September 30, 2007, and the related statements of net cost, changes in net position, budgetary resources, and financing for the year then ended (the principal financial statements) and issued our report thereon, dated October 17, 2007.

We conducted our audit in accordance with *Government Auditing Standards*, auditing standards generally accepted in the United States, and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

NMB management is responsible for complying with laws and regulations. As part of obtaining reasonable assurance about whether NMB's financial statements are free of material misstatement, we performed tests of its compliance with:

- Certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.
- Certain other laws and regulations specified in OMB Bulletin No. 07-04.
- Requirements referred to in the Federal Financial Management Improvement Act (FFMIA) of 1996.

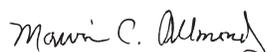
We limited our tests of compliance to these provisions and did not test compliance with all laws and regulations applicable to NMB. Our audit was not designed to provide an opinion on compliance with provisions of laws and regulations. Accordingly, we do not express such an opinion.

Our tests disclosed no instances of material noncompliance required to be reported under *Government Auditing Standards*. Additionally, we did not note any instances of immaterial noncompliance.

Under FFMIA, we are required to report whether the agency's financial management systems substantially comply with Federal financial management systems requirements, Federal accounting standards, and the United States Government Standard General Ledger at the transaction level. To meet this requirement, we performed the procedures specified in OMB's January 4, 2001, FFMIA implementation guidance. The results of our tests disclosed that NMB's financial management systems substantially complied with the three requirements in this paragraph.

We issued a draft of this report to NMB management and requested its comments. Management replied by indicating its general agreement with the audit results. This report is intended solely for the information of NMB management, OMB, and Congress. This report is not intended to be and should not be used by anyone other than these specified parties.

## Allmond & Company



**Marvin C. Allmond, CPA**

October 17, 2007, Landover, Maryland

# FINANCIAL STATEMENTS

## NATIONAL MEDIATION BOARD

### Balance Sheet

As of September 30, 2007 and September 30, 2006

	2007	2006
<b>ASSETS</b>		
Entity Assets:		
Intragovernmental		
Fund Balance with Treasury (Note 2)	\$ 3,077,328	\$ 3,485,279
Real Estate, Property and Equipment (Note 3)	75,368	87,547
<b>Total Assets</b>	<b>\$ 3,152,696</b>	<b>\$ 3,572,826</b>
<b>LIABILITIES AND NET POSITION</b>		
Liabilities:		
Intragovernmental Liabilities:		
Accounts Payable	\$ 106,916	\$ 48,200
Governmental Liabilities:		
Accounts Payable	92,766	189,659
Accrued Interest Payable	2,647	0
Accrued Payroll and Benefits	232,897	212,918
Capital Lease Liability (Note 8)	25,215	0
Unfunded Arbitration Liability (Note 9)	468,900	0
Unfunded Settlement Liability (Note 10)	57,500	0
Unfunded Annual Leave	351,664	347,549
<b>Total Liabilities</b>	<b>1,338,505</b>	<b>798,326</b>
Net Position:		
Unexpended Appropriated Capital	2,644,749	3,034,502
Cumulative Results of Operations	(830,558)	(260,002)
Total Net Position	1,814,191	2,774,500
<b>Total Liabilities and Net Position</b>	<b>\$ 3,152,696</b>	<b>\$ 3,572,826</b>



# FINANCIAL STATEMENTS

## NATIONAL MEDIATION BOARD

### Statement of Net Cost

For the Year Ended September 30, 2007 and September 30, 2006

	2007	2006
Costs:		
Mediation/Representation, Arbitration, and Emergency Board		
Intragovernmental	\$ 3,386,906	\$ 3,271,396
With the Public	8,921,220	8,477,821
Total 12,308,126	11,749,217	
Less Revenue from Services	(10,898)	(6,409)
<b>Net Program Costs</b>	<b>\$ 12,297,228</b>	<b>\$ 11,742,808</b>
<b>Net Cost of Operations</b>	<b>\$ 12,297,228</b>	<b>\$ 11,742,808</b>

## NATIONAL MEDIATION BOARD

### Statement of Changes in Net Position

For the Year Ended September 30, 2007 and September 30, 2006

	2007	2006
Unexpended Appropriations:		
Beginning Balance – October 1, 2006	\$ 3,034,502	\$ 3,161,215
Prior Period Adjustments	0	0
Beginning Balance Adjusted	\$ 3,034,502	\$ 3,161,215
Appropriations Received	11,595,760	11,628,000
Other Adjustments	(601,910)	(530,970)
Appropriations Used	(11,383,603)	(11,223,743)
<b>Total Unexpended Appropriations</b>	<b>\$ 2,644,749</b>	<b>\$ 3,034,502</b>
Cumulative Results of Operations:		
Beginning Balance – October 1, 2006	\$ (260,002)	\$ (67,344)
Prior Period Adjustments – All Other Funds	(44,156)	0
Beginning Balance as Adjusted – All Other Funds	\$ (304,158)	\$ (67,344)
Appropriations Used – All Other Funds	11,426,588	11,225,570
Imputed Financing – All Other Funds (Note 5)	344,240	324,580
Net Cost of Operations – All Other Funds	(12,297,228)	(11,742,808)
<b>Total Cumulative Result of Operations</b>	<b>\$ (830,558)</b>	<b>\$ (260,002)</b>
<b>Net Position</b>	<b>\$ 1,814,191</b>	<b>\$ 2,774,501</b>

# FINANCIAL STATEMENTS

## NATIONAL MEDIATION BOARD

### Statement of Budgetary Resources

For the Year Ended September 30, 2007 and September 30, 2006

	2007	2006
Budgetary Resources:		
Budget Authority	\$ 11,595,760	\$ 11,628,000
Unobligated Balance – Beginning Period	2,566,665	2,631,616
Spending Authority from Offsetting Collections	10,899	8,237
Adjustments	(601,910)	(530,971)
<b>Total Budgetary Resources</b>	<b>\$ 13,571,414</b>	<b>\$ 13,736,882</b>
Status of Budgetary Resources:		
Obligations Incurred	\$ 11,348,417	\$ 11,168,538
Unobligated Balance – Available	211,884	288,932
Unobligated Balance – Not Available	2,011,113	2,279,412
<b>Total, Status of Budgetary Resources</b>	<b>\$ 13,571,414</b>	<b>\$ 13,736,882</b>
Outlays:		
Obligations Incurred	\$ 11,348,417	\$ 11,168,538
Less: Spending authority from offsetting collections and adjustments	(10,899)	(8,237)
Obligated Balance, Net – Beginning Period	916,935	1,133,580
Obligated Balance, Transferred, Net		
Less: Obligated Balance, Net – End of Period	(854,331)	(916,935)
<b>Total Outlays</b>	<b>\$ 11,400,122</b>	<b>\$ 11,376,946</b>



# NOTES TO FINANCIAL STATEMENTS

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Description of Reporting Entity

The National Mediation Board (NMB), established in 1934 under section 4 of the Railway Labor Act (RLA), is an independent U.S. federal government agency that performs a central role in facilitating harmonious labor-management relations within two of the nation's key transportation modes - the railroads and airlines. Recognizing the importance of these transportation industries to the public shippers, and consumers, as well as to the economy and security of the country, the RLA established NMB to promote four key statutory goals:

- The prompt and orderly resolution of disputes arising out of the negotiation of new or revised collective bargaining agreements;
- The avoidance of interruptions to interstate commerce;
- The protection of employee rights to self-organization; and
- The prompt and orderly resolution of disputes over the interpretation or application of existing agreements.

These financial statements include all activity related to NMB's appropriation (No. 9572400), the principal funding for all NMB activities.

NMB prepares its financial statements to be in conformity with general accepted accounting principles.

NMB does not hold any non-entity assets and has no earmarked funds as described by the Government Accountability Office (GAO).

### Budgets and Budgetary Accounting

Congress annually adopts a budget appropriation that provides NMB with authority to use funds from Treasury to meet operating and program expense requirements. NMB has single year budgetary authority and all unobligated amounts at year-end are expired. At the end of the fifth year all amounts not expended are canceled. All revenue received from other sources must be returned to the U.S. Treasury.

### Basis of Accounting

NMB's financial statements are prepared under the accrual method of accounting. The accrual method of accounting requires recognition of the financial effects of transactions, events, and circumstances in the period(s) when those transactions, events, and circumstances occur, regardless of when cash is received or paid. NMB also uses budgetary accounting to facilitate compliance with legal constraints and to keep track of its budget authority at the various stages of execution, including allotment, obligation, and eventual outlay.

The Balance Sheet, Statement of Net Cost, Statement of Net Position, and Statement of Budgetary Resources have been prepared in accordance with generally accepted accounting principles.

# NOTES TO FINANCIAL STATEMENTS

## Revenue and Other Financing Sources

NMB receives funds to support its programs through annual appropriations. These may be used to pay program and administrative expenses (primarily salaries and benefits, occupancy, travel, and contractual services costs).

Appropriations are recognized as financing sources at the time they are used to pay program or administrative expenses. Appropriations used to acquire property and equipment are recognized as financing sources when depreciation on the assets is recognized.

NMB also earns revenue when it bills for copies of subscriptions. These subscriptions are for determinations on the cases NMB handles.

## Fund Balances with the US Department of the Treasury

NMB does not maintain cash in commercial bank accounts. Cash receipts and disbursements are processed by Treasury. The balance of funds with Treasury represents appropriated fund balances that are available to pay current liabilities and finance authorized purchase obligations relative to goods or services that have not been received.

## Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. NMB capitalizes property and equipment purchases with a cost greater than \$5,000, and a total useful life exceeding one year. Depreciation is calculated on a straight-line basis based on an estimated useful life of 5 years for all assets. Expenditures for repairs and maintenance are charged to operating expenses as incurred.

When NMB enters into a lease agreement, as lessee, if the title of the asset transfers to NMB at the end of the lease or any of the other three capitalization criteria pursuant to SFFAS No. 13, Accounting for Leases, are met, NMB capitalizes the lease and amortizes the cost over the economic useful life of the asset.

## Liabilities

Liabilities represent the amount of monies or other resources that are likely to be paid by NMB as the result of a transaction or event that has already occurred. However, no liability can be paid by NMB absent an appropriation. Liabilities for which an appropriation has not been enacted are therefore classified as Liabilities Not Covered by Budgetary Resources and there is no certainty that the appropriations will be enacted. Also, liabilities of NMB arising from other than contracts can be abrogated by the government, acting in its sovereign capacity.

Regarding NMB's building lease, the General Services Administration (GSA) entered into a lease agreement for NMB's rental of building space. NMB pays GSA a standard level users charge for the annual rental. The standard level users charge approximates the commercial rental rates for similar properties. NMB is not legally a party to any building lease agreements, so it does not record GSA-owned properties and does not disclose future minimum lease payments.

## Accrued Leave

Accrued payroll and benefits reflect salaries and benefits that have been earned, but not disbursed as of September 30, 2007.

## Unfunded Annual Leave

Annual leave is accrued as a liability as it is earned. The accrual is reduced as leave is taken. Each year, the balance in the accrued annual leave account is adjusted to reflect current year pay rates. To the extent that the current or prior year appropriations are not available to fund annual leave earned but not taken, funding will be obtained from future appropriations. Sick leave and other types of non-vested leave are charged to expense as the leave is used.



# NOTES TO FINANCIAL STATEMENTS

## Liabilities Not Covered By Budgetary Resources

These liabilities are not funded by direct budgetary authority. Liabilities not covered by budgetary resources result from the receipt of goods or services in the current or prior periods, or the occurrence of eligible events in the current or prior periods for which appropriations, revenues, or other financing sources of funds necessary to pay the liabilities have not been made available through Congressional appropriations or current earnings of the reporting entity. Liabilities not covered by budgetary resources as of September 30, 2007 were:

	FY 2007	FY 2006
Unfunded Annual Leave	\$ 351,664	\$ 347,549

## Net Position

Appropriated fund balance consists of the following components:

Unexpended appropriated capital - represents amounts of unavailable and available spending authority that are unobligated, or obligated but not expended. The obligated amount represents amounts for goods and/or services outstanding for which funds have been obligated, but the liabilities have not been accrued.

	FY 2007	FY 2006
Unobligated, available	\$ 0	\$ 0
Unobligated, unavailable	2,222,996	2,568,345
Undelivered Orders	421,753	466,157
<b>Unexpended Appropriated Capital</b>	<b>\$ 2,644,749</b>	<b>\$ 3,034,502</b>

## Net Position (Continued)

*Future funding requirements* - represents the liabilities not covered by available budgetary resources.

## Retirement Plan

NMB's employees participate in either the Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS). Employees participating in CSRS contribute 7 percent of their gross pay to the plan, and NMB contributes 8.51 percent.

On January 1, 1987, FERS went into effect pursuant to Public Law 99-335. Most employees hired after December 31, 1983, are automatically covered by FERS and are eligible for Social Security benefits. Employees hired prior to January 1, 1984, could elect either to transfer to the FERS plan and become eligible for Social Security benefits or remain in CSRS. A primary feature of FERS is that it offers a savings plan in which NMB automatically contributes 1 percent of employees' pay and matches any employee contribution up to an additional 4 percent of pay.

The actuarial present value of accumulated benefits, assets available for benefits, and unfunded pension liability of CSRS and FERS is not allocated to individual departments and agencies and is therefore not disclosed by NMB. The reporting of these amounts is the responsibility of the Office of Personnel Management.

During fiscal years 2007 and 2006, NMB paid \$68,448 and \$69,492 for CSRS, and \$365,400 and \$353,585 for FERS, respectively for its employees' coverage.

## Tax Status

NMB, as an independent Board of the executive branch, a federal agency, is not subject to federal, state, or local income taxes, and, accordingly, no provision for income tax is recorded

# NOTES TO FINANCIAL STATEMENTS

## NOTE 2: FUND BALANCES WITH TREASURY

Fund balances with Treasury were entirely entity assets from appropriations and consisted of the following:

	FY 2007	FY 2006
Unobligated	\$ 854,331	\$ 916,935
Unobligated Available	0	0
Undelivered Restricted	2,222,997	2,568,344
<b>Fund Balance with Treasury</b>	<b>\$ 3,077,328</b>	<b>\$ 3,485,279</b>

## NOTE 3: PROPERTY AND EQUIPMENT, NET

NMB uses straight-line depreciation with a useful life of 5 years and a capitalization threshold of \$5,000. Property and equipment, and related accumulated depreciation, at September 30, 2007 and September 30, 2006 consisted of:

	FY 2007	FY 2006
Equipment-Capitalized	\$ 664,962	\$ 664,962
Computer Software-Capitalized	131,325	131,325
Leasehold Improvements	1,133,508	1,133,508
Capital Lease	56,141	23,362
	1,985,936	1,953,157
Less: Accumulated Depreciation	(1,910,568)	(1,865,610)
<b>Total Property and Equipment, net</b>	<b>\$ 75,368</b>	<b>\$ 87,547</b>

Property and equipment, and related accumulated depreciation at September 30, 2007 consisted of:

	Value	Accumulated Depreciation	Book Value
Equipment – Capitalized	\$ 664,962	\$ 617,844	\$ 47,118
Computer Software – Capitalized	131,325	131,325	0
Leasehold Improvements	1,133,508	1,133,508	0
Capital Leases	56,141	27,891	28,250
<b>Total Property &amp; Equipment</b>	<b>\$ 1,985,936</b>	<b>\$ 1,910,568</b>	<b>\$ 75,368</b>



# NOTES TO FINANCIAL STATEMENTS

## NOTE 4: PROGRAM/OPERATING EXPENSES

Although OMB Circular A-136 only requires that operating expenses be broken out by program and object classification if the principal statements may be misleading for FY 2007, NMB has chosen to display its operating expenses by object classification for FY 2007 and FY 2006 for a more clear presentation.

	FY 2007	FY 2006
Personnel Compensation	\$ 6,703,582	\$ 6,752,997
Personnel Benefits	1,210,151	1,254,886
Former Benefits	0	61,008
Travel of Persons	546,791	540,288
Transportation of Things	4,708	5,256
Rent/Comm/Utilities	1,338,400	1,222,247
Printing	15,769	22,341
Other Services	972,682	986,426
Supplies	108,907	102,386
Equipment	178,551	55,798
Unvouchered	308,405	130,454
<b>Total</b>	<b>\$ 11,387,946</b>	<b>\$ 11,134,087</b>

## NOTE 5: PENSIONS, OTHER RETIREMENT BENEFITS, AND OTHER POST RETIREMENT BENEFITS

The NMB reports the full cost of employee pensions, other retirement benefits, and other post-employment benefits in accordance with SFFAS No. 5, Accounting for Liabilities of the Federal Government. Although the NMB funds a portion of the benefits under FERS and CSRS relating to its employees and withholds the necessary payroll deductions, a portion of the Normal Pension Cost remains unpaid. SFFAS No. 5 requires the recognition of this remaining cost as imputed financing.

Pension and other retirement benefit expenses are calculated using cost factors determined by actuaries at the Office of Personnel Management. These cost factors are calculated based on economic and demographic assumptions. The cost factor is multiplied by the basic pay in order to obtain the "Normal Cost" for the accounting period. This Normal Cost is the present value of the projected benefits of each employee allocated on a level basis over the service of the employee between entry age and assumed exit age.

# NOTES TO FINANCIAL STATEMENTS

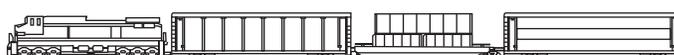
The imputed financing amount represents the difference between the employer's total pension expense and the employer's contribution. For the period ending September 30, 2007 the Normal Cost, employer's total pension expense, employer's contribution and imputed financing amounts were as follows:

Employee Type	Normal Cost	Employer Total Pension Expense	Employer Contribution	Employer Imputed Financing Expense
CSRS	\$ 257,046	\$ 71,973	\$ 143,946	\$ 113,100
CSRS Offset	0	0	0	0
FERS	443,020	29,535	424,561	18,460
<b>Total</b>	<b>\$ 700,066</b>	<b>\$ 101,508</b>	<b>\$ 568,507</b>	<b>\$ 131,560</b>
Health Insurance				211,736
Life Insurance				944
<b>Total</b>				<b>212,680</b>
<b>Grand Total Imputed Financing</b>				<b>\$ 344,240</b>

## NOTE 6: OBLIGATED BALANCES, NET, END OF PERIOD AS OF SEPTEMBER 30, 2007

The components of the obligated balance as of September 30, 2007 are:

Undelivered Orders	\$ 421,753
Accounts Payable	435,226
<b>Total Obligated Balance</b>	<b>\$ 856,979</b>



# NOTES TO FINANCIAL STATEMENTS

## NOTE 7: STATEMENT OF FINANCING

For the Year Ended September 30, 2007 and September 30, 2006

	2007	2006
Resources Used to Finance Activities		
Obligations Incurred	\$ 11,874,817	\$ 11,168,538
Less: Spending authority for offsetting collections and adjustments	(10,899)	(8,237)
Imputed Financing (Note 5)	344,240	324,580
<b>Total Budgetary Resources to Finance Activities</b>	<b>\$ 12,208,158</b>	<b>\$ 11,484,881</b>
Less: Resources Not Used to Finance Net Cost of Operations		
Change in Amount of Goods, Services and Benefits ordered but not yet Received or Provided	\$ (44,404)	\$ (63,442)
Costs Capitalized on the Balance Sheet	32,779	97,892
Other	(3,157)	(1,826)
Total Resources Not Used to Finance Net Cost of Operations	\$ (14,782)	\$ 32,624
<b>Total Resources Used to Finance Net Cost of Operations</b>	<b>\$ 12,222,940</b>	<b>\$ 11,452,257</b>
Costs that do not require Resources:		
Depreciation and Amortization	\$ 44,958	\$ 221,659
Revaluation of Assets and Liabilities	29,330	68,891
Total Costs that do not require Resources	74,288	290,550
<b>Net Cost of Operations</b>	<b>\$ 12,297,228</b>	<b>\$ 11,742,807</b>

# NOTES TO FINANCIAL STATEMENTS

## NOTE 8: ACCOUNTING FOR LEASES

### Operating Leases:

NMB occupies office space under a lease agreement with the General Services Administration (GSA) that is accounting for as an operating lease. The lease term was for a period of eleven years began on November 1, 2000 and expires on October 31, 2011. NMB pays GSA a standard level users charge for the annual rental adjusted annually for operating cost escalations in accordance with the provisions in the Federal Management Regulations. The operating rent and taxes was to be inflated by 0.76% from 2008 to 2011 to estimate the escalation that the market will yield.

Schedule of Future Minimum Lease Payments

2008	\$ 1,188,867
2009	1,197,950
2010	1,207,054
2011	1,216,228
<hr/>	
<b>Total Future Minimum Lease Payments</b>	<b>\$ 4,810,099</b>

### Capital Leases:

NMB entered into a capital lease on December 6, 2006 to lease a Xerox machine over a five-year period. The lease provide for ownership to transfer to NMB at the end of the lease period. The present value of the minimum lease payments of \$6,555.84 annually at an interest rate of 9.5 percent was determined to be \$25,215. The Capital Lease Asset is being depreciated on a straight line basis on 5 years.

## NOTE 9: UNFUNDED ARBITRATION LIABILITY

By law, NMB is required to appoint an arbitrator if a grievance adjustment board cannot resolve a grievance. NMB appoints an arbitrator by issuing a certificate of appointment to hear a specific case or a specified group of related cases and a compensation letter setting out the daily rate of compensation, per diem, and travel costs. NMB's policy is to record an obligation at the beginning of each month when it approved an arbitrator's compensation request. Since such arbitrator services are considered nonseverable services, NMB record an estimated obligation amount for the service outstanding due to arbitrator appointments at the end of each fiscal year for financial reporting purposes. As of September 30, 2007, NMB had a total of 521 arbitration cases heard but no decision rendered. An estimated obligation amount was determined by multiplying the 521 cases by an average of 3 days per case at a daily compensation rate of \$300. Total unfunded arbitration liability as of September 30, 2007 was \$468,900.

## NOTE 10: UNFUNDED SETTLEMENT LIABILITY

NMB reached a settlement on an administrative case in FY 2006. As of September 30, 2007, a balance of \$57,500 remain payable on October 31, 2007 from future funding.



# MANAGEMENT ASSURANCES

This section provides information on NMB's compliance with the Federal Managers' Financial Integrity Act (FMFIA) and the Improper Payments Information Act, as well as other management information, initiatives, and issues. FMFIA requires that agencies establish controls that provide reasonable assurance that:

- obligations and costs comply with applicable law;
- assets are safeguarded from waste, loss, unauthorized use, or misappropriation; and
- revenues and expenditures are properly recorded and accounted for.

It also requires the Chairman to provide an assurance statement on the adequacy of management controls.

## **Assurance Statement (FMFIA)**

The NMB's management is responsible for establishing and maintaining effective internal controls that meet the obligations of FMFIA within their areas of responsibility. Based on the directors' knowledge of daily operations and other management reviews, the NMB is able to provide an unqualified statement of assurance that the internal controls meet the objectives of FMFIA.



**Harry R. Hoglander, Chairman**

November 9, 2007

## **Improper Payments Information Act**

The NMB is considered to be at low risk for improper payments since the functional payment areas are limited to traveler reimbursement, commercial vendors for supplies and services, and the payroll EFT payments. The NMB does not administer any entitlement, grant, or loan programs.

## **Federal Travel Card Program**

The NMB is a full participant in the Federal Travel Card Program, and has issued travel credit cards to employees whose official duties may require frequent travel. The Office of Administration routinely monitors each employee's usage of the travel card to ensure that charge activities are restricted to official government travel-related expenses, and that the employee is paying his/her credit card bills on-time .

During FY 2007, employees were reimbursed for authorized travel-related expenses within one business day after receipt of their completed travel voucher.

During this same period, no NMB employee's travel card account was identified as being delinquent and no inappropriate usage of the travel card was identified.

# MANAGEMENT ASSURANCES

### Federal Purchase Card Program

During this period, the NMB continued its use of the U.S. Government’s purchase card program to expedite the purchase of authorized supplies and services. All purchases are reviewed and approved by the office director before submitting to the Office of Administration for action.

### Federal Information Security Management Act (FISMA)

The Federal Information Security Management Act (FISMA) requires an annual, independent evaluation of each agency’s information technology (IT) security program. In FY 2007 the NMB contracted with the Bureau of the Public Debt to perform a review of the NMB’s information technology security program. The results of the review, form the basis of the NMB’s annual FISMA report to OMB, and associated Plans of Action & Milestones (POA&M). In FY 2007, the NMB has continued to submit all required FISMA reports and updates to OMB.

### FMFIA Material Weakness In Management Operations

Period Reported	Reported	Corrected	Pending
Prior Years	0	N/A	0
2002 report	0	N/A	0
2003 report	0	N/A	0
2004 report	0	N/A	0
2005 report	0	N/A	0
2006 report	0	N/A	0
2007 report	0	N/A	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Pending Material Weaknesses (by function):

Category	Number	Year First Reported
Program management	0	N/A
Functional management:	0	N/A
Procurement	0	N/A
Grant management	0	N/A
Personnel & organizational management	0	N/A
ADP security	0	N/A
Payment systems and cash management	0	N/A
Loan management and debt collection	0	N/A
Property and inventory management	0	N/A
<b>Total</b>	<b>0</b>	<b>N/A</b>



# MANAGEMENT ASSURANCES

## Overall compliance: Yes

### Management Systems:

Existing Systems	Total	In Conformance
Prior years	1	1
2002 report	1	1
2003 report	1	1
2004 report	1	1
2005 report	1	1
2006 report	1	1
2007 report	1	1
<b>Total</b>	<b>1</b>	<b>1</b>

### Number of Material Weaknesses:

Period	Reported	Corrected	Pending
Reported FY 07	Reported	Corrected	Pending
Prior Years	0	N/A	0
2002 report	0	N/A	0
2003 report	0	N/A	0
2004 report	0	N/A	0
2005 report	0	N/A	0
2006 report	0	N/A	0
2007 report	0	N/A	0
<b>Total</b>	<b>0</b>	<b>N/A</b>	<b>0</b>

### Pending Nonconformance:

Material nonconformance	Reported	Corrected	Pending
Prior Years	0	N/A	0
2002 report	0	N/A	0
2003 report	0	N/A	0
2004 report	0	N/A	0
2005 report	0	N/A	0
2006 report	0	N/A	0
2007 report	0	N/A	0
<b>Total</b>	<b>0</b>	<b>N/A</b>	<b>0</b>

### Pending Nonconformance:

Period Report: FY 07	Number	Year First Reported
General ledger control	0	N/A
Interfaces	0	N/A
Data accuracy, timeliness, comparability, usefulness	0	N/A
Property	0	N/A
Cash management	0	N/A
Receivables	0	N/A
Program costs	0	N/A
Payroll	0	N/A
Systems documentation	0	N/A
Audit trails, security	0	N/A
Other	0	N/A
<b>Total</b>	<b>0</b>	<b>N/A</b>

# NATIONAL RAILROAD ADJUSTMENT BOARD (NRAB)

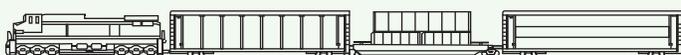
**CHAIRMAN: MARTIN W. FINGERHUT**  
**VICE CHAIRMAN: RICHARD K. RADEK**

<b>First Division Members</b>	<b>Second Division Members</b>	<b>Third Division Members</b>	<b>Fourth Division Members</b>
Martin W. Fingerhut <i>Chairman</i>	John P. Lange <i>Chairman</i>	Michael C. Lesnik <i>Chairman</i>	Bjarne R. Henderson <i>Chairman</i>
Richard K. Radek <i>Vice Chairman</i>	Alexander M. Novakovic <i>Vice Chairman</i>	Roy C. Robinson <i>Vice Chairman</i>	Gary J. Campbell <i>Vice Chairman</i>
Douglas W. Davidson	Mark Filipovic	Charlie A. McGraw	James R. Cumby
John W. Babler	John Thacker	David W. Volz	N. Ray Cobb
Joseph P. Horbury, Sr.	Michael Bowgren	John F. Hennecke	Jack S. Gibbins
William B. Murphy	John F. Ingham	LaVerne D. Miller	Patricia A. Madden
Charles R. Wise	Russ Parks	Issac R. Monroe	
Kim N. Thompson	Thomas N. Tancula	Thomas Rohling	
	H. Glen Williams	John S. Morse	
	Dewey B. Garland	Stephen F. Watson	

## NRAB CASES DOCKETED AND CLOSED

### All Divisions

New Cases	1,062
Closed Cases	638



# NATIONAL RAILROAD ADJUSTMENT BOARD (NRAB)

## NRAB REFEREES

### First Division

Edwin H. Benn  
Steven Bierig  
Brian Clauss  
James Darby  
Dana Eischen  
Elliott Goldstein  
Danielle Hargrove  
Sinclair Kossoff  
Margo Newman  
Robert O'Brien  
Robert Richter  
Barry Simon  
David P. Twomey  
Elizabeth Wesman  
Jacalyn Zimmerman

### Second Division

James Conway  
Raymond McAlpin  
William Miller  
Robert Richter  
Marty Zusman

### Third Division

Edwin H. Benn  
Dennis Campagna  
Danielle Hargrove  
Ann Kenis  
Jonathan Klein  
Sinclair Kossoff  
Marty Malin  
Peter Meyers  
Robert O'Brien  
Joan Parker  
Robert Peterson  
Gerald Wallin  
Elizabeth Wesman  
Marty Zusman

### Fourth Division

none

# SECTION 3

## TRIBUNALS

### No. of Boards

Public Law	96
Special Boards of Adjustment	4
Arbitration Board	4

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**Total** **104**

### 1. PUBLIC LAW BOARDS, SPECIAL BOARDS OF ADJUSTMENT AND ARBITRATION BOARDS

#### 1A. Carriers

Alabama State Dock  
 Belt Railway Company of Chicago  
 Birmingham Southern Railroad Company  
 Burlington Northern Santa Fe Railway Company  
 Canadian National  
 Chicago Central & Pacific  
 Colorado & Wyoming Railway Company  
 Consolidated Rail Corporation  
 CSX Transportation, Inc.  
 Detroit, Toledo and Ironton Railroad  
 Elgin, Joliet & Eastern Railway  
 Florida East Coast Railroad  
 Grand Trunk Western Railroad  
 Illinois Central Railroad  
 Indiana Harbor Belt Railroad  
 Iowa Interstate Railway  
 Kansas City Southern  
 Lake Terminal Railroad  
 Long Island Rail Road  
 Louisiana & North West Railroad  
 Massachusetts Bay Commuter Railroad  
 Metro North Commuter Rail  
 National Railroad Passenger Corporation (AMTRAK)  
 New England Central  
 New Jersey Transit Authority  
 Norfolk Southern Corporation  
 Northeast Illinois Regional Commuter  
 Portland and Western Railroad  
 Port Terminal Railroad Association  
 Southeastern Pennsylvania Transportation Authority  
 Tazewell Peoria Railroad  
 Tacoma Road  
 Texas Mexican Railway Company  
 Union Pacific Railroad Company  
 Union Railroad Company  
 Wheeling & Lake Erie Railroad  
 York Railway



# SECTION 3

## TRIBUNALS

### **1B. Unions**

American Train Dispatchers Association  
Amtrak Service Workers Council  
Association of Commuter Rail Employees  
Brotherhood of Locomotive Engineers & Trainmen-IBT  
Brotherhood of Maintenance of Way Employes-IBT  
Brotherhood of Railroad Signalmen  
International Association of Machinists & Aerospace Workers  
International Brotherhood of Electrical Workers  
International Longshoremen's Association  
International Railway Supervisors Association  
National Conference of Firemen and Oilers, SEIU  
Sheet Metal Workers International Association  
Transportation Communications International Union  
Transport Workers Union of America  
United Steel Workers of America  
United Transportation Union

# SECTION 3

## TRIBUNALS

### 1C. Arbitrators

Edwin Benn  
Steven Bierig  
Fred Butler  
John R. Binau  
Robert Camp  
Dennis Campagna  
Joseph Cassidy  
Brian Clauss  
James E. Conway  
John B. Criswell  
James Darby  
Francis J. Domzalski  
John Easley  
Nancy F. Eischen  
Lewis L. Ellsworth  
Alonzo Fields  
Bernice Fields  
Richard Fincher  
Charles Fischbach  
Jay Fogelberg  
Janice Frankman  
Brady Gadberry  
Gayle A. Gavin  
Carmelo Gianino  
Charlotte Gold  
Michael Gordon  
Almalee Guttshall  
Patrick Halter  
Don Hampton  
Danielle L. Hargrove  
Martin Henner  
Robert L. Hicks  
Joan Ilivicky  
Sharon Imes  
Michael Jordan  
Ann S. Kenis  
Joyce Klein  
Lisa S. Kohn  
Sinclair Kossoff  
Edward Lalor  
George Larney  
Sherwood Malamud  
Martin H. Malin  
James McBreatty  
Peter R. Meyers  
William Miller  
Dennis Minni



# SECTION 3

## TRIBUNALS

### **1C. Arbitrators (continued)**

Ron Mitchell  
Jonathan Monat  
James E. Nash  
Luella Nelson  
Margo Newman  
Robert O'Brien  
Peter Obermeyer  
Joan Parker  
Robert Perkovich  
Robert E. Peterson  
Robert G. Richter  
Thomas N. Rinaldo  
Sean J. Rogers  
Lynette A. Ross  
David Rutowski  
Robert Simmelkjaer  
Bary E. Simon  
Lamont Stallworth  
Edward L. Suntrup  
Philip Tamoush  
Wallace Tanksley  
M. David Vaughn  
Gerald E. Wallin  
Elizabeth C. Wesman  
Burton White  
Helen Witt  
Carol Zamperini  
Jacalyn Zimmerman  
Marty E. Zusman

### **2. LABOR PROTECTIVE PROVISIONS**

#### **2A. Carrier**

CSX Transportation, Inc.

#### **2B. Union**

Sheet Metal Workers' International Association

#### **2C. Arbitrator**

Lynette Ross

### **3. UNION SHOPS**

NA

# APPENDIX A: CASE TABLES

**TABLE 1 - NUMBER OF CASES RECEIVED AND CLOSED**

	FY-2007	FY-2006	FY-2005	FY-2004	FY-2003	FY-2002	Average 2002-06
<b>Mediation</b>							
Start-pending	75	71	56	63	51	66	61.4
New	34	37	58	41	55	44	47.0
Sum	109	108	114	104	106	110	108.4
Closed	45	33	43	48	43	59	45.2
End-pending	64	75	71	56	63	51	63.2
<b>ADR</b>							
Start-pending	17	18	15	16	18	21	17.6
New	44	68*	27	41	27	48	42.2
Sum	61	86	42	57	45	69	59.8
Closed	30	69*	24	42	29	51	43.0
End-pending	31	17	18	15	16	18	16.8
<b>Representation</b>							
Start-pending	0	0	1	4	4	8	3.4
New	25	46	32	60	55	66	51.8
Sum	25	46	33	64	59	74	55.2
Closed	24	46	33	63	55	70	53.4
End-pending	1	0	0	1	4	4	1.8
<b>Arbitration</b>							
Start-pending	4664	4581**	4910	5136	6002	5819	5289.6
New	4929	5537	4839	4705	4295	4990	4873.2
Sum	9593	10118	9749	9841	10297	10809	10162.8
Closed	4042	5454	4127	4931	5161	4807	4896.0
End-pending	5551	4664	5622	4910	5136	6002	5266.8

\* ADR caseload counts include OP and OP-ODR cases starting in FY-2006.

\*\* Arbitration caseload adjusted based on an annual NMB/parties case audit.



# APPENDIX A: CASE TABLES

**TABLE 2—REPRESENTATION CASE DISPOSITION**

<b>Railroads</b>	Number of Cases	Number of Crafts or Classes	Number of Employees Involved	Number of Employees Participating
Certifications	7	7	110	85
Dismissals	6	6	106	25
<b>Totals</b>	<b>13</b>	<b>13</b>	<b>216</b>	<b>110</b>
<b>Airlines</b>	Number of Cases	Number of Crafts or Classes	Number of Employees Involved	Number of Employees Participating
Certifications	3	3	270	202
Dismissals	8	8	9,130	4,105
<b>Totals</b>	<b>11</b>	<b>11</b>	<b>9,400</b>	<b>4,307</b>
<b>Totals</b>				
<b>Railroads &amp; Airlines</b>	<b>24</b>	<b>24</b>	<b>9,616</b>	<b>4,417</b>

# APPENDIX A: CASE TABLES

**TABLE 3—NUMBER OF CASES CLOSED BY MAJOR GROUPS OF EMPLOYEES**

<b>Railroads</b>	Total Cases	Representation Cases	Mediation Cases
Bartenders	1	0	1
Carmen	4	1	3
Clerks	3	0	3
Conductors	3	0	3
Electrical Supervisors	1	0	1
Electrical Workers	2	0	2
Engineers and Related	1	0	1
Locomotive Engineers	1	0	1
Machinists	2	0	2
Maintenance of Way	5	2	3
Mixed	1	0	1
Operating and Non-Operating	2	2	0
Police Officers Below the Rank of Captain	1	0	1
Sheet Metal Workers	1	0	1
Shop Laborers	1	0	1
Supervisors, Car Dept	1	0	1
Supervisors, MOW Dept (B&B)	1	0	1
Telegraphers	2	0	2
Train and Engine Service	7	5	2
Transportation Operations	1	1	0
Yardmasters	3	2	1
<b>Railroad Total</b>	<b>44</b>	<b>13</b>	<b>31</b>



# APPENDIX A: CASE TABLES

**TABLE 3—NUMBER OF CASES CLOSED BY MAJOR GROUPS OF EMPLOYEES (continued)**

<b>Airlines</b>	Total Cases	Representation Cases	Mediation Cases
Cockpit Crew Members	1	1	0
Fleet and Passenger Service	1	0	1
Fleet Service	2	2	0
Flight Attendants	4	2	2
Flight Deck Crew Members	3	0	3
Flight Dispatchers	2	1	1
Flight Crew Training Instructors	1	1	0
Mechanics and Related	6	2	4
Mixed	1	0	1
Office, Clerical, Fleet & Passenger	1	0	1
Passenger Service	1	0	1
Pilots	1	1	0
Stock and Stores	1	1	0
<b>Airline Total</b>	<b>25</b>	<b>11</b>	<b>14</b>
<b>Grand Total, Railroads and Airlines</b>	<b>69</b>	<b>24</b>	<b>45</b>

# APPENDIX A: CASE TABLES

**TABLE 4—CRAFT OR CLASS DETERMINATIONS IN REPRESENTATION CASES**

<b>Railroads</b>	Number of Cases	Number of Craft or Class Determinations	Number of Employees	Percent of Employees Involved
Clerical Office, Station and Storehouse Employees	0	0	0	0
Carmen	1	1	0	0
Electrical Workers	0	0	0	0
Locomotive Engineers	0	0	0	0
Locomotive Firemen and Hostlers	0	0	0	0
Locomotive Maintenance Employees	0	0	0	0
Machinists	0	0	0	0
Maintenance of Way Employees	2	2	12	..
Operating/Non-Operating Employees	2	2	12	..
Sheet Metal Workers	0	0	0	0
Signalmen	0	0	0	0
Train Dispatchers	0	0	0	0
Train and Engine Service Employees	5	5	53	..
Train, Engine and Yard Service Employees	0	0	0	0
Transportation Operations Employees	1	1	2	..
Yardmasters	2	2	31	..
Combined Groups, Railroad	0	0	0	0
Miscellaneous, Railroad	0	0	0	0
<b>Railroad Total</b>	<b>13</b>	<b>13</b>	<b>110</b>	<b>1%</b>



# APPENDIX A: CASE TABLES

**TABLE 4—CRAFT OR CLASS DETERMINATIONS IN REPRESENTATION CASES (continued)**

<b>Airlines</b>	Number of Cases	Number of Craft or Class Determinations	Number of Employees	Percent of Employees Involved
Cockpit Crew Members	1	1	147	..
Engineers and Related Employees	0	0	0	0
Fleet and Passenger Service Employees	0	0	0	0
Fleet Service Employees	2	2	3,556	37
Flight Attendants	2	2	384	3
Flight Crew Training Instructors	1	1	12	..
Flight Deck Crew Members	0	0	0	0
Flight Dispatchers	1	1	8	..
Flight Engineers	0	0	0	0
Flight Simulator Engineers	0	0	0	0
Ground School Instructors	0	0	0	0
Maintenance Training Specialists	0	0	0	0
Mechanics and Related Employees	2	2	47	..
Office Clerical Employees	0	0	0	0
Passenger Service Employees	0	0	0	0
Pilots	1	1	151	1
Stock and Stores Employees	1	1	2	0
Combined Groups, Airlines	0	0	0	0
Miscellaneous, Airlines	0	0	0	0
<b>Airline Total</b>	<b>11</b>	<b>11</b>	<b>4,307</b>	<b>45%</b>
<b>Grand Total, Railroads and Airlines</b>	<b>24</b>	<b>24</b>	<b>4,417</b>	<b>46%</b>

Percent listing for each group represents the percentage of the 9,616 employees involved in all railroad and airline cases during fiscal year 2007.  
 (..) Less than one percent.

# APPENDIX A: CASE TABLES

**TABLE 5—CRAFTS OR CLASSES CERTIFIED IN REPRESENTATION CASES**

	National Organizations			Local Unions and/or Individuals			Totals		
	Craft or Class	Employees Number	Involved Percent	Craft or Class	Employees Number	Involved Percent	Craft or Class	Employees Number	Involved Percent
<b>Railroads</b>									
<b>Representation Acquired:</b>									
Elections	6	64	..	0	0	0	6	64	..
Proved Authorizations	0	0	0	0	0	0	0	0	0
<b>Representation Changed:</b>									
Elections	0	0	0	0	0	0	0	0	0
Proved Authorizations	0	0	0	0	0	0	0	0	0
<b>Representation Unchanged:</b>									
Elections	1	21	..	0	0	0	1	21	..
Proved Authorizations	0	0	0	0	0	0	0	0	0
<b>Total, Railroads</b>	<b>7</b>	<b>85</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>85</b>	<b>1</b>
<b>Airlines</b>									
<b>Representation Acquired:</b>									
Elections	2	55	..	1	147	1	3	202	2
Proved Authorizations	0	0	0	0	0	0	0	0	0
<b>Representation Changed:</b>									
Elections	0	0	0	0	0	0	0	0	0
Proved Authorizations	0	0	0	0	0	0	0	0	0
<b>Representation Unchanged:</b>									
Elections	0	0	0	0	0	0	0	0	0
Proved Authorizations	0	0	0	0	0	0	0	0	0
<b>Total, Airlines</b>	<b>2</b>	<b>55</b>	<b>..</b>	<b>1</b>	<b>147</b>	<b>1</b>	<b>3</b>	<b>202</b>	<b>2</b>
<b>Total, Combined Railroads and Airlines</b>	<b>9</b>	<b>140</b>	<b>1</b>	<b>1</b>	<b>147</b>	<b>1</b>	<b>10</b>	<b>287</b>	<b>3</b>

Percent listing for each group represents the percentage of the 9,616 employees involved in all rail and airline cases in fiscal year 2007.

(. .) Less than one percent.

Note: These figures do not include cases that were withdrawn or dismissed. Because of rounding, sums of individual items may not equal totals.



# APPENDIX A: CASE TABLES

**TABLE 6 – STRIKES IN THE AIRLINE INDUSTRY**

<b>Carrier</b>	<b>Union</b>	<b>Craft and Class</b>	<b>Strike began</b>	<b>Strike ended</b>	<b>Duration (days)</b>
Petroleum Helicopters*	OPEIU	Pilots	9-20-06	11-10-06	21

\* Changed its corporate name to PHI, Inc.

Note: The agreement ending the Northwest-AMFA strike, as reported in the FY 2006 Annual Report, was ratified by the union's membership on November 11, 2006.

**TABLE 7 – STRIKES IN THE RAILROAD INDUSTRY**

None

**TABLE 8 – RLA SECTION 10 PRESIDENTIAL EMERGENCY BOARDS**

None

**TABLE 9 – RLA SECTION 9A PRESIDENTIAL EMERGENCY BOARDS**

<b>PEB#</b>	<b>Carrier</b>	<b>Union</b>	<b>Created</b>	<b>Closed</b>
241	Metro North Commuter RR	IBT	04-06-07	05/15/07
240	Metro North Commuter RR	Metro North Coalition	12-07-06	01-19-07

# APPENDIX B: CASE RECORD

## 1A. AIRLINE MEDIATION CASES DOCKETED

Carrier	Union	Craft/Class
Airborne Express	IBT	Flight Deck Crew Members
ATA Airlines	ALPA	Pilots
Centurion Air Cargo	IBT	Mixed
Chautauqua Airlines	IBT	Fleet & Passenger Service
Freedom Airlines	AFA-CWA	Flight Attendants
Frontier Airlines	TWU	Flight Dispatchers
Great Lakes Aviation	IAM	Mechanics & Related
Great Lakes Aviation	IAM	Clerks
Gulfstream Int'l Airlines	IAM	Flight Attendants
Mesa Airlines	AFA-CWA	Flight Attendants
Miami Air International	IBT	Pilots
NCCC/NRLC	IBEW	Electrical Workers
Pinnacle Airlines	TWU	Flight Dispatchers
Ryan Airlines	ALPA	Flight Deck Crew Members
Spirit Airlines	ALPA	Cockpit Crew Members
Spirit Airlines	TWU	Flight Dispatchers
Trans States Airlines	ALPA	Pilots



# APPENDIX B: CASE RECORD

## 1B. RAILROAD MEDIATION CASES DOCKETED

Carrier	Union	Craft/Class
AMTRAK	TCU-ARASA	Supervisory MOW Dept (B&B)
Conrail	TWU	Carmen
Delaware and Hudson Railway	BMWED	Maintenance of Way
Louisiana & Northwest	BMWED	Maintenance of Way
NCCC/NRLC	IAM	Machinists
NCCC/NRLC	TCU	Clerks
NCCC/NRLC	TCU	Carmen
New York, Susquehanna & Western Railway	BLET	Locomotive Engrs & Trainmen
Pacific & Arctic	IBT	Machinists
Port Authority Trans Hudson	BLET	Engineers & Related
Port Authority Trans Hudson	IBEW	Electrical Workers
Port Authority Trans Hudson	IBEW	Supervisors
Port Authority Trans Hudson	RITU	Mixed
South Kansas & Oklahoma	BMWWE-IBT	Maintenance of Way
Southeastern Pennsylvania Transit Authority	BMWED	Maintenance of Way
White Pass & Yukon	UTU	Train & Engine Service
Wisconsin Central Railway	BLET	Locomotive Engineers

# APPENDIX B: CASE RECORD

## 1C. AIRLINE MEDIATION CASES CLOSED

Carrier	Union	Craft/Class
Aer Lingus	IAM	Passenger Service
Bahamas Air	IAM	Mechanics & Related
BWIA International Airways	IAM	Office, Clerical, Flt & Psgr Service
Centurion Air Cargo	IBT	Mixed
El Al Israel Airlines	IAM	Mechanics & Related
Federal Express Corporation	ALPA	Flight Deck Crew Members
Kalitta Air	IBT	Flight Deck Crew Members
Mesaba Aviation	AFA-CWA	Flight Attendants
Mesaba Aviation	AMFA	Mechanics & Related
Northwest Airlines	AFA-CWA	Flight Attendants
Northwest Airlines	AMFA	Mechanics & Related
Petroleum Helicopters, Inc.	OPEIU	Flight Deck Crew Members
PSA Airlines, Inc.	IBT	Fleet & Passenger Service
Spirit Airlines	TWU	Flight Dispatchers



# APPENDIX B: CASE RECORD

## 1D. RAILROAD MEDIATION CASES CLOSED

Carrier	Union	Craft/Class
AMTRAK	FOP	Police Officers Below Captain
AMTRAK	UTU	Conductors
AMTRAK	UTU	Yardmasters
Conrail	TWU	Carmen
Louisiana & NW	BMWED	Maintenance of Way
Louisiana & NW	IAM	Machinists
Metro North	IAM	Machinists
Metro North	IBEW	Electrical Supervisors
Metro North	IBEW	Electrical Workers
Metro North	IBT	Maintenance of Way
Metro North	SEIU	Shop Laborers
Metro North	SMWIA	Sheet Metal Workers
Metro North	TCU	Clerks
Metro North	TCU	Supervisors of Car Department
Metro North	TCU	Telegraphers
Metro North	TCU-ARASA	Supervisors of MOW Dept (B&B)
Metro North	TWU	Carmen
Metro North	TWU	Bartenders
NCCC/NRLC	RLBC	Mixed
NCCC/NRLC	TCU	Clerks
NCCC/NRLC	TCU	Carmen
NCCC/NRLC	IBEW	Electrical Workers
New Jersey Transit	TCU	Clerks
New Jersey Transit	TCU	Telegraphers
New Jersey Transit	UTU	Conductors
New York, Susquehanna & Western Railway	BLET	Locomotive Engineers & Trainmen
Panhandle Northern	BLET	Train & Engine Service
Port Authority Trans Hudson	BLET	Engineers & Related
South Buffalo Railway Company	UTU	Conductors
Southeastern Pennsylvania Transit Authority	BMWED	Maintenance of Way
White Pass & Yukon	UTU	Train & Engine Service

# APPENDIX B: CASE RECORD

## 2A. ADR CASES DOCKETED

Case Type	Carrier/Entity	Union	Group
F	CSXT	BLET	Engineers & Related
F	Kitty Hawk Airlines	ALPA	Pilots
F	PSA Airlines	AFA-CWA	Flight Attendants
F	USAirways	IAM	Mechanics & Related
F	USAirways	IAM	Fleet Service
GM	NetJets	IBT	Flight Attendants
GM	New Jersey Transit RR	BRS	Signalmen
GM	PSA Airlines	IBT	Fleet & Passenger Service
GM	Spirit Airlines	AFA-CWA	Flight Attendants
GM	USAirways	AFA	Flight Attendants
GM-ODR	American Airlines	TWU	Fleet Service
OP	--	ALPA	Pilots
OP	--	AFA	Flight Attendants
OP	--	TWU	Mixed Labor
OP	--	IAM	General Chairman
OP	--	APFA	Flight Attendants
OP	EEOC	--	Labor-Management
OP	NCCC/NRLC	--	Management
OP	USAirways	AFA-CWA	Flight Attendants
OP	USAirways	--	Management
OP	US-DOS	--	International
OP-ODR	--	UTU-BLE	Labor
OP-ODR	--	--	Arbitrator
OP-ODR	--	--	Arbitrator
OP-ODR	--	--	Arbitrator
OP-ODR	NICTD	UTU	Labor-Management
OP-ODR	PATH	IBT	Public Law Board
OP-ODR	PATH	IBT	Public Law Board
OP-ODR	PERC	--	Labor-Management
OP-ODR	SEC	--	Shared Neutrals
T	--	IPA	Flight Deck Crew Members
T	American Airlines	--	Management
T	American Airlines	--	Management
T	American Airlines	--	Management
T	American Eagle	AFA	Flight Attendants
T	ATA Airlines	ALPA	Pilots
T	CSXT	--	Management
T	Horizon Airlines	AFA-CWA	Flight Attendants
T	Kitty Hawk Airlines	ALPA	Pilots
T	NetJets	IBT	Labor-Management
T	OPM-FEI	--	Management
T	Spirit Airlines	AFA	Flight Attendants
T	UPS	--	Management
T-ODR	NetJets	IBT	Flight Attendants



# APPENDIX B: CASE RECORD

## 2B. ADR CASES CLOSED

Case Type	Carrier/ Entity	Union	Group
F	CSXT	BLET	Engine Service
F	Kitty Hawk Airlines	ALPA	Pilots
F	PSA Airlines	AFA-CWA	Flight Attendants
F	USAirways	IAM	Mechanics & Related
F	USAirways	IAM	Fleet Service
GM	NetJets	IBT	Flight Attendants
GM	Airborne Express	IBT	Flight Deck Crew Members
GM	Pinnacle Airlines	ALPA	Pilots
OP	--	ALPA	Pilots
OP	--	TWU	Mixed Labor
OP	USAirways	AFA-CWA	Flight Attendants
OP	US-DOS	--	International
OP-ODR	--	UTU-BLE	Labor
OP-ODR	--	--	Arbitrator
OP-ODR	--	--	Arbitrator
OP-ODR	--	--	Arbitrator
OP-ODR	NICTD	UTU	Labor-Management
OP-ODR	PATH	IBT	Public Law Board
OP-ODR	PATH	IBT	Public Law Board
OP-ODR	PERC	--	Labor-Management
OP-ODR	SEC	--	Shared Neutrals
T	--	IPA	Flight Deck Crew Members
T	American Airlines	--	Management
T	American Airlines	--	Management
T	Horizon Airlines	AFA-CWA	Flight Attendants
T	Kitty Hawk Airlines	ALPA	Pilots
T	NetJets	IBT	Labor-Management
T	OPM-FEI	--	Management
T	Spirit Airlines	AFA	Flight Attendants
T-ODR	NetJets	IBT	Flight Attendants

# APPENDIX B: CASE RECORD

## 3A. AIRLINE REPRESENTATION CASES DOCKETED

Carrier	Union	Craft/Class
Alaska Airlines	TWU	Flight Crew Training Instructors
Allegiant Air	AFA-CWA	Flight Attendants
Champion Air	IBT	Mechanics and Related Employees
Colgan Air	ALPA	Pilots
Compass Airlines	AFA-CWA	Flight Attendants
Omni Air	ALPA	Pilots
Piedmont Airlines	IBT	Mechanics and Related Employees
Pinnacle Airlines	TWU-PDSSA	Flight Dispatchers
PSA Airlines	TWU	Flight Dispatchers
PSA Airlines	IAM	Stock Clerks
SkyWest Airlines	ALPA	Flight Deck Crew Members
Southern Air	SACG	Cockpit Crewmembers



# APPENDIX B: CASE RECORD

## 3B. RAILROAD REPRESENTATION CASES DOCKETED

Carrier	Union	Craft/Class
Carolina Piedmont Railroad	UTU	Train and Engine Service Employees
CN/Wisconsin Central Transportation Corp.	UTU-WDYA	Yardmasters
Copper Basin Railway	BLET	Train and Engine Service Employees
Florida Central Railroad	UTU	Operating Employees
Florida Northern Railroad	UTU	Non-Operating Employees
M&B Railroad	BLET	Train and Engine Service Employees
M&B Railroad	BMWE-IBT	Maintenance of Way Employees
M&B Railroad	BMWE-IBT	Carmen
Montana Rail Link	ATDA	Yardmasters
Port Authority Trans-Hudson Corp.	IBEW	Transportation Operations Employees
Talleyrand Terminal Railroad	BLET	Train and Engine Service Employees
Talleyrand Terminal Railroad	BLET	Maintenance of Way Employees
Tomahawk Railway	BLET	Train and Engine Service Employees

# APPENDIX B: CASE RECORD

## 3C. AIRLINE REPRESENTATION CASES CLOSED

Carrier	Union	Craft/Class	Disposition
Alaska Airlines, Inc	TWU	Flight Crew Training Instructors	Dismissal
Allegiant Air	AFA-CWA	Flight Attendants	Dismissal
Champion Air	IBT	Mechanics and Related	Certification
Colgan Air	ALPA	Pilots	Dismissal
Continental Airlines	TWU	Fleet Service Employees	Dismissal
Frontier Airlines	FRFAA-IBT	Flight Attendants	Dismissal
Gulfstream Int'l Airlines	IAM	Fleet Service Employees	Dismissal
Piedmont Airlines	IBT	Mechanics and Related	Dismissal-WDI
PSA Airlines	TWU	Dispatchers	Certification
PSA Airlines	IAM	Stock Clerks	Dismissal
Southern Air	SACG	Cockpit Crew Members	Certification



# APPENDIX B: CASE RECORD

## 3D. RAILROAD REPRESENTATION CASES CLOSED

Carrier	Union	Craft/Class	Disposition
Carolina Piedmont Railroad	UTU	Train and Engine Service	Certification
CN/Wisconsin Central Transp.	UTU	Yardmasters	Certification
Copper Basin Railway	BLET	Train and Engine Service	Dismissal
Florida Central Railroad	UTU	Operating Employees	Dismissal
Florida Northern Railroad	UTU	Non-Operating Employees	Dismissal-WDI
M&B Railroad	BLET	Train and Engine Service	Dismissal
M&B Railroad	BMWE-IBT	Maintenance of Way	Certification
M&B Railroad	BMWE-IBT	Carmen	Dismissal
Montana Rail Link	ATDA	Yardmasters	Certification
Port Authority Trans-Hudson	IBEW	Transportation Ops Employees	Dismissal
Talleyrand Terminal Railroad	BLET	Train and Engine Service	Certification
Talleyrand Terminal Railroad	BLET	Maintenance of Way	Certification
Timber Rock Railroad	UTU	Train and Engine Service	Certification

# APPENDIX C: GLOSSARY & ACRONYMS

## GLOSSARY

**Act** The Railway Labor Act

**Agency** The National Mediation Board

**Alternative Dispute Resolution (ADR)** A process for resolving disputes outside of the judicial system of law. In the venue of the NMB, ADR is the facilitation of interest-based or mutual-interest negotiations and grievance mediation.

**Amendable Contract** Under the Railway Labor Act, collective bargaining agreements become subject-to-change on a specified date, rather than expiring as agreements do under the National Labor Relations Act.

**Arbitration** A type of dispute resolution process where an arbitrator renders a decision, which usually can be appealed judicially only on a very narrow basis such as fraud

**Board** May be one of the following, depending upon the context in which it appears:

- National Mediation Board (NMB)
- Presidential Emergency Board (PEB)
- National Railroad Adjustment Board (NRAB)
- Special Board of Adjustment (SBA)
- Public Law Board (PLB)
- System Board of Adjustment (SBA)

**CFO Act** Chief Financial Officer's Act

**Class I** A category of the largest U.S. railroads as defined by the Surface Transportation Board

**Collective Bargaining Agreement** A labor contract between a union and a carrier

**Cooling Off Period** A 30-day period of time preceding the right of parties to a collective bargaining dispute to engage in "self help" under the RLA

**Craft or Class** A group of employees deemed by the NMB to share a community of work and interest for the purpose of collective bargaining under the RLA

**Direct Negotiations** Negotiations between the parties to a collective bargaining dispute before or apart from NMB mediation

**E-Business** The conduct of business on the Internet

**Facilitation** A process where a neutral helps the parties in a collective bargaining or grievance dispute use ADR problem-solving methods such as interest-based bargaining or grievance mediation

**Facilitated Problem Solving** This approach to bargaining utilizes a process of problem identification and discussion to reach resolution of issues rather than an exchange of proposals.

**Grievances** Complaints of employees or unions arising out of the application or interpretation of collective bargaining agreements



## APPENDIX C: GLOSSARY & ACRONYMS

**Grievance Arbitration** A method of resolving grievances whereby an arbitrator determines the outcome

**Grievance Mediation** In the venue of the NMB, using mediation as an alternative to arbitration for resolving grievances

**Impasse** In mediation under the RLA, an impasse is when the NMB determines that further mediation will not resolve a collective bargaining dispute.

**Interest Arbitration** A process, under the RLA, to establish the terms of a new or modified collective bargaining agreement through arbitration, rather than through negotiations.

**Interest Based Negotiation** A type of negotiations where the parties collaboratively focus on finding solutions to underlying needs or concerns of each party (i.e., the whys) instead of adversatively negotiating specific positions

**Internet Voting** A web-based balloting option that supplements telephone electronic voting in representation elections

**Laboratory Conditions** Conditions to a representation dispute which ensure the independence of labor and management for the purpose of self-organization and the right of employees to freely determine whether they wish to be represented, or not, for the purpose of collective bargaining

**Laker Ballot** A special NMB yes/no ballot designed to address instances of carrier interference (first used in a representation case involving Laker Airlines)

**Major Disputes** Disputes between management and a union pertaining to collective bargaining as opposed to grievance disputes known as Minor Disputes

**Mediation** A type of dispute resolution process where a neutral (i.e., a mediator) facilitates agreement between the parties to a collective bargaining dispute, vis-a-vis imposing a settlement on the parties via arbitration

**Metro North Coalition** An association of unions formed to bargain collectively with the Metro North Railroad: TCIU, TWU, SMWIA, IAM, IBEW, SEIU, NCFO, IBT, and TCU-ARASA.

**Minor Disputes** Grievances of employees or unions arising out of the application or interpretation of collective bargaining agreements as opposed to collective bargaining disputes known as Major Disputes

**National Handling** Mediation of a collective bargaining dispute where management of several railroads have chosen to negotiate collectively on a national basis

**National Labor Relations Act (NLRA)** Grants most private sector workers the right to organize and bargain collectively. Air and rail employees, however, are covered by the RLA rather than the NLRA.

**National Railroad Adjustment Board** One of three types of tribunals under the RLA for resolving railroad grievances (also see Special Boards of Adjustment and Public Law Boards). NRAB cases are resolved by the carrier and union members with or without a neutral.

**Online Arbitration** An Arbitration forum and a form of Online Dispute Resolution where hearings are held in virtual, web-based meeting rooms with live video

**Online Dispute Resolution** The application of Internet or web-based technology to resolving disputes

## APPENDIX C: GLOSSARY & ACRONYMS

**President's Management Agenda** A strategy for improving Federal government, focusing on five areas of management: Human Capital, Competitive Sourcing, Financial Performance, Electronic Government, and Budget/Performance Integration.

**Presidential Emergency Board** A Board established under the Railway Labor Act by the U.S. President to investigate and report on an airline or railroad labor dispute

**Prima Facie** A Latin term meaning "on its first appearance"

**Proffer of Arbitration** The step in the process of resolving collective bargaining disputes under the RLA, which follows a determination of impasse by the NMB, whereby the NMB offers binding arbitration to the parties as a method for resolving the dispute

**Public Interest Meetings** Under the RLA, the NMB can intervene in an active collective bargaining dispute at any time in the interest of the general public. Usually, one or both parties to a dispute requests the mediation services of the NMB.

**Public Law Boards (PLB)** One of three types of tribunals under the RLA for resolving railroad grievances (also see National Railroad Adjustment Board and Special Boards of Adjustment)

**Railway Labor Act (RLA)** A federal law that grants interstate airline and railroad employees the right to organize and bargain collectively. Other private industry employees are covered by the National Labor Relations Act (NLRA).

**Representation Dispute** A situation on an airline or railroad where employees in a specific, carrier-wide workgroup seek to organize for the purpose of collectively bargaining with their employer regarding matters of wages, benefits and working conditions

**Section 3** Section 153 of the RLA pertaining to the National Railroad Adjustment Board

**Section 3 Committee** A group of representatives from freight, regional and commuter railroads and representatives of major rail unions, whose goal is the improvement of resolution of grievances

**Section 6** Section 156 of the RLA pertaining to the changing of wages, rules, hours and working conditions

**Section 7** Section 157 of the RLA pertaining to Arbitration

**Section 9a** Section 159A of the RLA pertaining to Presidential Emergency Boards for certain publicly-funded and operated commuter railroads

**Section 10** Section 160 of the RLA pertaining to Presidential Emergency Boards for airlines and railroads other than those covered by Section 9a

**Self Help** The right of a party to a collective bargaining dispute to unilaterally act in its own best interest. A carrier, for example, may lock disputing employees out of the workplace or implement changes in pay, rules and working conditions; and the union, for example, may work specifically as required by its collective bargaining agreement or strike.

**Showing-of-Interest** In a representation dispute, employees in a Craft or Class must indicate an interest in being represented for the purpose of collective bargaining by signing authorization cards which are submitted to the NMB by the representative/s of their choosing.



## APPENDIX C: GLOSSARY & ACRONYMS

**Special Boards of Adjustment (SBA)** One of three types of tribunals under the RLA for resolving railroad grievances (also see National Railroad Adjustment Board and Public Law Boards)

**Status Quo** Situations under the RLA in either collective bargaining or representation disputes where existing pay rates, rules and working conditions cannot be changed unilaterally, pending the resolution of the dispute in question.

**Strike** A work stoppage action initiated by a union

**System Boards of Adjustment (SBA)** An arbitration board pursuant to an agreement by the parties for resolving airline grievances.

**System-wide** Under the RLA, a craft or class applies anywhere an airline or railroad operates in the United States

**Telephone Electronic Voting (TEV)** A paperless balloting process using telephones instead of traditional paper ballots

**Work Stoppage** An interruption to the operations of an airline or railroad

***These definitions are meant to provide general understanding only. They do not provide definitive definition regarding any matter before the Board and are not to be construed as legal definitions that may be cited in any administrative, legal or arbitral proceeding.***

# APPENDIX C: GLOSSARY & ACRONYMS

## ACRONYMS

<b>AA</b>	American Airlines
<b>ABA</b>	American Bar Association
<b>ABX</b>	Airborne Express
<b>A-case</b>	An NMB designation for a Mediation case
<b>ACR</b>	Association for Conflict Resolution
<b>ADR</b>	Alternative Dispute Resolution
<b>ADRS</b>	Alternative Dispute Resolution Services
<b>AFA-CWA</b>	Association of Flight Attendants
<b>AIRCON</b>	Airline Industrial Relations Conference
<b>ALI-ABA</b>	American Law Institute – American Bar Association
<b>ALPA</b>	Air Line Pilots Association
<b>ALRA</b>	Association of Labor Relations Agencies
<b>AMFA</b>	Aircraft Mechanics Fraternal Association
<b>AMTRAK</b>	National Railroad Passenger Corporation
<b>APA</b>	Allied Pilots Association
<b>APFA</b>	Association of Professional Flight Attendants
<b>ARASA</b>	American Railway & Airways Supervisors Association
<b>ASA</b>	Atlantic Southeast Airlines
<b>ASII</b>	Aircraft Services International Group, Inc.
<b>ATA</b>	ATA Airlines
<b>ATDA</b>	American Train Dispatchers Association
<b>BBA</b>	BBA Aviation Shared Services
<b>BLET</b>	Brotherhood of Locomotive Engineers and Trainmen
<b>BMWE/D</b>	Brotherhood of Maintenance of Way Employees
<b>BNSF</b>	Burlington Northern and Sante Fe
<b>BRS</b>	Brotherhood of Railroad Signalmen
<b>CA</b>	Confidential Assistant
<b>CBA</b>	Collective Bargaining Agreement
<b>CFO</b>	Chief Financial Officer
<b>CITDR</b>	Center for Information Technology and Dispute Resolution
<b>CLE</b>	Continuing Legal Education
<b>COOP</b>	Continuity of Operations Plan
<b>CSX/CSXT</b>	CSX Transportation, Inc.
<b>DRT</b>	Dispute Resolution Technologies
<b>EEOC</b>	Equal Employment Opportunity Commission
<b>F-case</b>	An ADR designation for Facilitation cases (F and F-ODR)
<b>FFMIA</b>	Federal Financial Management Improvement Act
<b>FMFIA</b>	Federal Managers' Financial Integrity Act of 1982
<b>FOP</b>	Fraternal Order of Police – NJ Labor Council
<b>FPDS-NG</b>	Federal Procurement Data System – Next Generation
<b>FRFAA</b>	Frontier Flight Attendants Association



## APPENDIX C: GLOSSARY & ACRONYMS

<b>FUI</b>	Findings Upon Investigation
<b>FY</b>	Fiscal Year
<b>GM</b>	Grievance Mediation
<b>GM-case</b>	An ADR designation for Grievance Mediation cases (GM and GM-ODR)
<b>GMRA</b>	Government Management Reform Act
<b>GPRA</b>	Government Performance and Results Act
<b>IAM</b>	International Association of Machinists & Aerospace Workers
<b>IBBB</b>	The International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers
<b>IBEW</b>	International Brotherhood of Electrical Workers
<b>IBT</b>	Int'l Brotherhood of Teamsters, Chauffeurs, Warehousemen & Helpers of America
<b>IDP</b>	Individual Development Plan
<b>IPA</b>	Independent Pilots Association or Intergovernmental Personnel Act
<b>ISI</b>	Insufficient Showing of Interest
<b>IT</b>	Information Technology
<b>JCC</b>	Joint Council of Carmen
<b>JD</b>	Juris Doctor (Doctor of Law)
<b>NARA</b>	National Archives & Records Administration
<b>NCCC</b>	National Carriers' Conference Committee
<b>NCFO</b>	National Conference of Firemen and Oilers
<b>NICTD</b>	Northern Indiana Commuter Transportation District
<b>NJT</b>	New Jersey Transit
<b>NLRA</b>	National Labor Relations Act
<b>NLRB</b>	National Labor Relations Board
<b>NMB</b>	National Mediation Board
<b>NPA</b>	National Pilots Association
<b>NRAB</b>	National Railroad Adjustment Board
<b>NSF</b>	National Science Foundation
<b>NW/NWA</b>	Northwest Airlines
<b>OA</b>	Office of Administration
<b>ODR</b>	Online Dispute Resolution
<b>OLA</b>	Office of Legal Affairs
<b>OMB</b>	Office of Management and Budget
<b>OP</b>	Outreach and Promotion
<b>OP-case</b>	An ADR designation for Outreach and Promotion cases (OP and OP-ODR)

## APPENDIX C: GLOSSARY & ACRONYMS

<b>OPEIU</b>	Office and Professional Employees International Union
<b>OPM</b>	Office of Personnel Management
<b>OPM-FEI</b>	Office of Personnel Management – Federal Employee Institute
<b>PATH</b>	Port Authority Trans Hudson
<b>PDSSA</b>	Pinnacle Dispatcher & Sector Supervisor Association
<b>PEB</b>	Presidential Emergency Board
<b>PERC</b>	Public Employment Relations Commission (New Jersey)
<b>PHI</b>	Petroleum Helicopters changed its name to PHI, Inc.
<b>PLB</b>	Public Law Board
<b>PSA</b>	PSA Airlines
<b>R-case</b>	An NMB designation for a Representation case
<b>RITU</b>	Railway Independent Transit Union
<b>RLA</b>	Railway Labor Act
<b>RLBC</b>	Railroad Labor Bargaining Coalition
<b>SACG</b>	Southern Air Cockpit Group
<b>SBA</b>	Special Board of Adjustment or System Board of Adjustment
<b>SEC</b>	Securities Exchange Commission
<b>SEIU</b>	Service Employees International Union
<b>SEPTA</b>	Southeastern Pennsylvania Transportation Authority
<b>SMWIA</b>	Sheet Metal Workers International Union
<b>T-case</b>	An ADR designation for Training cases (T and T-ODR)
<b>TCU/TCIU</b>	Transportation Communications International Union
<b>TEV</b>	Telephone Electronic Voting
<b>TWA</b>	Trans World Airlines
<b>TWU</b>	Transport Workers Union of America
<b>UK</b>	United Kingdom
<b>UMASS</b>	University of Massachusetts - Amherst
<b>UN</b>	United Nations
<b>UP</b>	Union Pacific Railroad
<b>UPS</b>	United Parcel Service
<b>US-DOS</b>	United States Department of State
<b>UTU</b>	United Transportation Union
<b>WDI</b>	Withdrawn During Investigation
<b>WDYA</b>	Wisconsin Division Yardmasters Association



## APPENDIX D: REGISTRY OF BOARD MEMBERS

Name	Start Date	Status	End Date
Elizabeth Dougherty	12-13-06	Active <sup>1</sup>	--
Read Van de Water	12-11-03	Active <sup>2</sup>	--
Harry R. Hoglander	08-06-02	Active <sup>3</sup>	--
Edward J. Fitzmaurice, Jr.	08-02-02	Term Expired	12-13-06
Francis J. Duggan	11-22-99	Retired	11-21-03
Magdalena G. Jacobsen	12-01-93	Retired	08-02-02
Ernest W. DuBester	11-15-93	Resigned	08-01-01
Kenneth B. Hipp	05-19-95	Resigned	12-31-98
Kimberly A. Madigan	08-20-90	Resigned	11-30-93
Patrick J. Cleary	12-04-89	Resigned	01-31-95
Joshua M. Javits	01-19-88	Resigned	11-14-93
Charles L. Woods	01-09-86	Resigned	01-15-88
Helen M. Witt	11-18-83	Resigned	09-18-88
Walter C. Wallace	10-12-82	Term Expired	07-01-90
Robert J. Brown	08-20-79	Resigned	06-01-82
Robert O. Harris	08-03-77	Resigned	07-31-84
Kay McMurray	10-05-72	Term Expired	07-01-77
Peter C. Benedict	08-09-71	Deceased	04-12-72
David H. Stowe	12-10-70	Retired	07-01-79
George S. Ives	09-19-69	Retired	09-01-81
Howard G. Gamser	03-11-63	Resigned	05-31-69
Robert O. Boyd	12-28-53	Resigned	10-14-62
Leverett Edwards	04-21-50	Resigned	07-31-70
John Thad Scott, Jr.	03-05-48	Resigned	07-31-53
Francis A. O'Neill, Jr.	04-01-47	Resigned	04-30-71
Frank P. Douglass	07-03-44	Resigned	03-01-50
William M. Leiserson	03-01-43	Resigned	05-31-44
Harry H. Schwartz	02-26-43	Term Expired	01-31-47
David J. Lewis	06-03-39	Resigned	02-05-43
George A. Cook	01-07-38	Resigned	08-01-46
Otto S. Beyer	02-11-36	Resigned	02-11-43
John M. Carmody	07-21-34	Resigned	09-30-35
James W. Carmalt	07-21-34	Deceased	12-02-37
William M. Leiserson	07-21-34	Resigned	05-31-39

1. Term expires July 1, 2010.

2. Term expired July 1, 2006.

3. Term expires July 1, 2008.



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