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ON THE HILL

A Weekly Advocacy Update from TIA

The Latest News and Updates from TIA's Government Affairs Department

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Rail Union Strike Threats Renewed

As the supply chain ramps up for the holiday season, a significant bump in the road is starting to re-appear. Another union voted down the proposed contract with the freight railroad industry renewing fears of a rail shutdown. The Brotherhood of Railroad Signalmen rejecting the deal making it the second union since September 15th to do so.

The Biden administration made an 11th hour deal to avoid a rail shutdown. What his administration touted as a political victory; it may have been premature. A strike could happen as soon as November 19th unless 12 rail unions agree to contracts. If an agreement is not sorted out, Congress will have to step in and impose its own authority on the situation.

The freight industry is responsible for 40% of the long-haul goods in the country. A strike, and therefore pause in operation would be catastrophic to the economy/supply chain, which could negatively influence midterm election results for Democrats. Things like clean water, food, holiday gifts, raw materials, etc. are all moved via the rail system.

With pressure mounting on the government to intervene, GOP members of congress have suggested Democrats accept recommendations from the emergency board appointed by President Biden. The board recommended that workers receive a 24% pay increase, but did not include additional sick leave, which was a main ask by the unions.

To this point, six unions representing roughly 20% of the 125,000 workers have ratified their agreements. Two unions representing 25% of the of the workforce have voted no. If one of the “yes” votes turn around and says no, a strike would ensue, and we have a problem on our hands. TIA will keep you updated with this issue.

FRA Extends Comment Period For Train Crew Size

The Federal Rail Administration (FRA) published a notice of proposed rulemaking (NPRM) on July 28th, 2022. This NPRM established minimum safety requirements regarding the size of train crews depending on the job being performed by the crews. A public hearing is being announced by FRA to give interested parties the chance to comment on the proposal. In addition, FRA is notifying the public that there will be an 86-day extension of the comment period to provide ample time for interested parties to opine and suggest based on information learned at the public hearing.

TIA will keep you updated with any further developments.

EV Tax Credits Not Going Well Abroad

Along with the European Union, Japan and South Korea, China and Russia are the latest parties to voice their dissatisfaction with the United States' electric vehicle (EV) tax credits. Their complaint is that the new incentive to buy U.S. made cars violates global trade rules. The criticism, while on par with the other critics, has been found to be awkward. The other countries are reluctant to let China and Russia in their corner given their adversarial presence globally.

Legal experts agree that the United States is violating the trade rules within the World Trade Organization (WTO). The rules state that countries cannot make rules that incentivize domestic purchase, effectively discriminating from foreign purchases. The United States cannot treat domestic products better than foreign products. China and Russia agree that the U.S. is taking part in a double standard that damages trade within the global marketplace. The United States disagrees.

The U.S. pushed back and said that these bills were not meant to deter foreign purchase, but rather encourage the purchase of clean energy vehicles to combat climate change. Since there is no tax or regulation put on foreign goods, the U.S. believes it is within its rights in implementing the EV tax credits for domestic goods, in this case, cars.

TIA will keep you updated as this issue develops.

How Oil is Driving Politics

Americans are starting to feel pain again at the pump. As gas prices rise due to oil shortages, President Biden has decided to tap into America's strategic oil reserves in an effort to lower costs at the pump. These oil reserves are stored for emergency use only. Republicans have touted this strategy as the administration trying to save face before midterm elections ramp up, Democrats blame OPEC for having to use the reserves as a last option; more on that later.

The debate on whether to drill more in America has served both parties as hot political topics – both being on the good and bad side of it politically. President Biden claims dipping into our reserves was our only option to save gas prices as OPEC denied President Biden's request to increase drilling.

For a while, Biden was able to get prices under control and all was well – at least kind of. Whether or not these reserves can lower prices before the midterm elections could be the difference in the balance of the power in Congress. Analysts expect Americans to vote with their pocketbooks, but Democrats are hoping to hedge the pocketbook volatility with social issues they claim Republicans are bad on. Only time will tell which issues win out, but for now, regardless of your politics, we all want to see lower prices at the pump.