REPORT

to

THE PRESIDENT

by

EMERGENCY BOARD

NO. 253

SUBMITTED PURSUANT TO

EXECUTIVE ORDER DATED SEPTEMBER 16, 2025 ESTABLISHING AN EMERGENCY BOARD TO INVESTIGATE DISPUTES BETWEEN LONG ISLAND RAIL ROAD AND BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN; BROTHERHOOD OF RAILROAD SIGNALMEN; INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS; INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS; AND TRANSPORTATION COMMUNICATIONS UNION

AND SECTION 9a OF THE RAILWAY LABOR ACT, AS AMENDED

(National Mediation Board Case Nos. A-14068, A-14070, A-14071, A-14076, A-14078)

WASHINGTON, D.C.
OCTOBER 17, 2025

Washington, D.C.
October 17, 2025

The Honorable Donald J. Trump
President of the United States
The White House
Washington, D.C. 20500

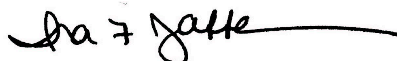
Dear Mr. President:

Pursuant to Section 9a of the Railway Labor Act, as amended, and by Executive Order 14349, dated September 16, 2025, you established an Emergency Board, effective 12:01 AM, Eastern Daylight Time, September 18, 2025, to investigate disputes between Long Island Rail Road and its employees represented by the Brotherhood of Locomotive Engineers and Trainmen, the Brotherhood of Railroad Signalmen, the International Association of Machinists and Aerospace Workers, the International Brotherhood of Electrical Workers, and the Transportation Communications Union.

Following its investigation of the issues in dispute, including both hearings and meetings with the parties, the Board now has the honor to submit its Report to you setting forth our recommendations for equitable resolution of the disputes between the parties.

The Board acknowledges with thanks the assistance of John S.F. Gross and Andres Yoder of the National Mediation Board, who rendered invaluable counsel and aid to the Board throughout the proceedings.

Respectfully submitted,



Ira F. Jaffe, Chairman

Sidney S. Moreland, IV, Member

Thomas A. Pontolillo, Member

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I. CREATION OF THE EMERGENCY BOARD

Presidential Emergency Board No. 253 (PEB or Board) was established by the President pursuant to Section 9a of the Railway Labor Act (RLA), as amended, 45 U.S.C. §151 *et seq.*, including §159a, and by Executive Order 14349, dated September 16, 2025. The Board was created to investigate and report its findings and recommendations regarding disputes between Long Island Rail Road (LIRR or Carrier) and its employees represented by the Brotherhood of Locomotive Engineers and Trainmen (BLET), the Brotherhood of Railroad Signalmen (BRS), the International Association of Machinists and Aerospace Workers (IAM), the International Brotherhood of Electrical Workers (IBEW), and the Transportation Communications Union (TCU). A copy of Executive Order 14349 is attached as Appendix A.

The President appointed Ira F. Jaffe, Esq., of Potomac, Maryland, as Chairman of the Board; and appointed Sidney S. Moreland, IV, Esq., of Baton Rouge, Louisiana, and Thomas A. Pontolillo, of Strongsville, Ohio, as Members. The National Mediation Board (NMB) appointed John S.F. Gross, Esq. and Andres Yoder, Esq. as Special Counsel to the Board.

II. PARTIES TO THE DISPUTE

The Long Island Rail Road

The LIRR is the largest commuter railroad in the country. It operates every hour of the day, every day of the year. 2025 ridership is forecast to be 82 million passengers.

The LIRR operates an extensive rail network that stretches from New York City on one end to the eastern reaches of Long Island on the other. The rail network includes 760 miles of track; 958 trains; and 126 stations. The LIRR has a major hub in Queens; serves two key

terminals in Manhattan (Pennsylvania Station and Grand Central Madison); and serves a key terminal in each of Brooklyn (Atlantic Terminal) and Queens (Hunterspoint Avenue).

The LIRR is among the oldest railroads in the country, having been chartered in 1834. In 1966, the State of New York acquired all of the LIRR's capital stock. In 1980, the Metropolitan Transportation Authority (MTA) converted the LIRR to a public benefit subsidiary pursuant to New York State Public Authorities Law. The MTA is governed by a 17-member Board (MTA Board). The MTA Board's approval is required for the LIRR to enter into any labor agreement.

In addition to the LIRR, the following subsidiary and affiliate agencies are governed by, and funded through, MTA:

- Metro-North Commuter Railroad Company (MNCR)
- New York City Transit Authority (NYCTA) and its subsidiary Manhattan and Bronx Surface Transportation Operating Authority (MaBSTOA)
- Triborough Bridge and Tunnel Authority (TBTA)
- MTA Bus Company (MTA Bus)
- Staten Island Rapid Transit Operating Authority (SIRTOA)
- MTA Construction and Development

The Carrier presented its position through written statements and oral testimony by Gary J. Dellaverson, Esq., Principal of Gary J. Dellaverson, P.C.; Kelli N. Coughlin, Esq., Senior Deputy Chief, Labor Relations, Railroad Operations, LIRR and MNCR; Janno Lieber, MTA Chair and Chief Executive Officer; and Michael Nadol, Principal, Clay Street Perspectives LLC. The Carrier was represented by Neil H. Abramson, Esq., Rosanne Facchini, Esq. and Steven H. Banks, Esq. of Proskauer Rose LLP.

The Organizations

Disputes between the LIRR and the following five labor organizations are at issue here: BLET, BRS, IAM, IBEW, and TCU (collectively, the Organizations).

- BLET is a labor organization that represents approximately 500 LIRR locomotive engineers.
- BRS is a labor organization that represents approximately 800 LIRR employees. The majority of these employees primarily perform signal work, while the rest of the employees primarily work in engineering, fire marshal, and system operator positions.
- IAM is a labor organization that represents approximately 250 LIRR employees who work in the Maintenance of Equipment Department.
- IBEW is a labor organization that represents approximately 750 LIRR employees who work in the Engineering and Maintenance of Equipment Departments.
- TCU is a labor organization that represents approximately 1,200 LIRR employees, including clerical employees; professional employees who work in the Payroll and Purchasing Departments; tower and agent employees; and train dispatchers.

Together, the Organizations represent approximately 3,500 LIRR employees or approximately half of the Carrier's represented employees.[1] The Organizations presented a unified case to the PEB through written statements and oral testimony by Thomas R. Roth, President, The Labor Bureau, Inc.; Jeffrey Klein, General Chairman, IBEW Local 589; Shaun O'Connor, General Chairman, IAM District #19; Nicholas Peluso, National Vice-President and Assistant to the President, TCU; Kevin J. Sexton, BLET Vice-President; and Michael Sullivan, General Chairman, BRS Long Island General Committee #102. The Organizations were represented by Richard S. Edelman, Esq., and Aaron S. Edelman, Esq., of Mooney, Green, Saindon, Murphy, and Welch, P.C.

[1] The Carrier and the Organizations presented slightly different estimates of the number of employees in bargaining units represented by the Organizations. The Carrier and the Organizations also differed regarding whether the Organizations represented slightly more or slightly less than 50% of the represented employees at the LIRR. Those distinctions are not material to the disposition of this dispute or the Board's recommendations.

III. HISTORY OF THE DISPUTES

The LIRR and the Organizations (collectively, the Parties) are parties to separate collective bargaining agreements, all of which became amendable in June 2023.

Between May 8, 2023 and May 20, 2023, the TCU, BLET, and BRS each issued Section 6 notices to the Carrier. On June 14, 2023, the Carrier issued Section 6 notices to the BLET, BRS, IAM, and TCU, which contained 36 "Common Craft" proposals, and a number of individual organization-specific proposals. There were a total of 75 BLET proposals, 57 BRS proposals, 51 IAM proposals, and 74 TCU proposals, inclusive of the 36 Common Craft proposals. On July 20, 2023, the Carrier issued a Section 6 notice to the IBEW containing 53 proposals in total, inclusive of the 36 Common Craft proposals. On August 3, 2023, the IBEW served its Section 6 notice on the Carrier. On August 11, 2023, the IAM served its Section 6 notice on the Carrier. The various Section 6 notices from the Organizations had differing proposed contract lengths, different proposed General Wage Increases (GWIs), different proposals for ratification lump sum payments, different proposals regarding benefits improvements, and different proposed improvements in work rules.

On September 12, 2023, BLET, BRS, IAM, IBEW, and the Independent Railway Supervisors Association (IRSA) (the five organizations) served a notice to the Carrier of their intention to bargain as a Coalition. On September 25, 2023, the Carrier responded, noting that it would only bargain separately, at least at the beginning of negotiations, to discuss craft-specific matters and work rules that were unique to each collective bargaining agreement. On October 2, 2023, the five organizations proposed a joint initial conference. On October 6, 2023, the Carrier declined that proposal and restated its intention to bargain separately with each organization. On October 17, 2023, the five organizations set forth their legal position that they enjoyed the right

to choose how they would bargain. On November 2, 2023, the Carrier replied, noting its legal position that there is no obligation for the Carrier to bargain jointly with the five organizations where such coalition bargaining had not taken place previously.

On November 3, 2023, the Carrier and the International Association of Sheet Metal, Air, Rail and Transportation Workers – Transportation Division (SMART-TD) entered into the first agreement with LIRR in this round of bargaining.

On November 13, 2023, the five organizations advised the Carrier of the termination of conferences for the current round of bargaining. On November 21, 2023, those organizations rescinded their notification and reinstated its requests for conferences for the current round of bargaining. On November 29, 2023, those organizations responded to the November 2, 2023 letter from the Carrier with respect to the request for coalition bargaining and requested dates for a meeting to discuss its desire to engage in coalition bargaining and better understand the concerns of the Carrier. The November 29, 2023 letter further noted that the five organizations understood the inclusion of Common Craft proposals in the Carrier's Section 6 notices to suggest that coordinated bargaining was appropriate. On December 21, 2023, the Carrier agreed to meet jointly for the limited purpose of discussing the form or method of bargaining, reiterating its objection to joint bargaining, and conditioning the agreement to meet jointly upon a recognition that the meeting would not be deemed a bargaining session and would be without prejudice to the Carrier's legal position regarding joint bargaining.

Between January 10 and February 5, 2024, the IAM, BLET, BRS, and IBEW applied to the NMB, seeking mediation. Each of those organizations requested mediation prior to a single bargaining session having been held with the Carrier.

On January 12, 2024, SMART-Yardmasters (SMART-YDM) and the Carrier reached agreement on the terms for a new Agreement.

On February 7, 2024, the Carrier agreed to a Meet & Greet with a Supervisory Mediator from the NMB without prejudice to its legal position regarding joint bargaining. On that same date, the TCU reached a Tentative Agreement with the Carrier (TCU TA) that later failed ratification. On February 29, 2024, the TCU applied for mediation.

On March 25, 2024, SMART-Sheet Metal Workers (SMART-SMW) and the Carrier reached agreement on the terms for a new Agreement.

On March 28, 2024, the Carrier and the BLET met in an in-person mediation session with Microsoft Teams capability.

On April 30, 2024, the National Conference of Firemen & Oilers (NCFO) and the Carrier reached agreement on the terms of a new Agreement. The NCFO represented the fourth Agreement reached with the Carrier in this round of bargaining and its terms mirrored the terms that were contained in the three prior SMART Agreements.

Additional mediation sessions were held in person, but with Microsoft Teams capability, on May 16, 2024 (IBEW), June 24, 2024 (BRS), and July 25, 2024 (IAM).

Mediation sessions took place at the NMB on September 10-12, 2024.

On September 10, 2024, the "Six Cooperating Labor Organizations" made the following proposal for a four-year Agreement (term from June 16, 2023 through June 15, 2027):

1. General Wage Increases:

All wage rates then in effect on each of the following dates shall be increased as follows:

June 16, 2023 – 3.0%
June 16, 2024 – 3.0%
June 16, 2025 – 3.5%
June 16, 2026 – 6.5%

> 2. Signing Bonus:
>
> All employees on the payroll or absent on leave as of the date of ratification shall receive a lump-sum payment of $4,000.
>
> 3. Moratorium:
>
> The Agreements shall be amendable effective June 16, 2027.
>
> 4. Other Terms:
>
> All other terms raised by the Organizations' Section 6 notices are hereby withdrawn. All existing terms and conditions of the current collective bargaining agreements shall continue without change except as amended herein above.

On October 2, 2024, IRSA and the Carrier reached agreement on the terms of a new Agreement.

On October 9, 2024, the Carrier wrote to the NMB expressing concerns regarding how the mediation was being conducted. The letter described behavior at the September 10-12, 2024 mediation sessions, asserting that the Organizations had taken the position that they could determine their own bargaining team members and had included on each of their teams members from all of the Organizations. The Carrier also complained that there was no single lead spokesperson for each of the teams and that the various members spoke over one another and impaired the ability of the Carrier to attempt to meaningfully engage with the Organizations and particularly with the TCU. The Carrier asked the NMB to limit the number of participants, schedule each of the individually docketed mediation cases separately, require that a lead spokesperson for each group be designated, and limit those in attendance to individuals who were from the organization with whom the Carrier was scheduled to meet and any counsel or consultant.

On November 11, 2024, the Carrier wrote separately to the BLET, BRS, TCU, IAM, and IBEW, stating:

> This letter is regarding the correspondence dated October 2, 2024, in which your organization requested a written response from the Long Island Rail Road ("LIRR") with respect to the revised

wage proposal you submitted to the LIRR at the mediation session on September 10, 2024.

First, we appreciate the organization's modified approach with respect to the gross wage increases in 2023, 2024 and 2025, which align with the MTA Financial Plan and the terms of the pattern agreements at the LIRR. Additionally, we also acknowledge the organization's factoring of the thirty-eight (38) month pattern contract duration, which accounts for the August 15, 2026 amendable date reflected in the five (5) agreements that were reached on our property. We are agreeable to these elements of the revised proposal to advance our discussions.

Please find enclosed a counter proposal to the organization that factors the above-referenced terms, as well as alternative terms that are within the authorized MTA budget and financial parameters.

Importantly, the LIRR remains committed to engage in additional discussions with the organization on proposed work rule modifications that will yield efficiencies and productivity savings that may be factored towards the terms and valuation of the contract. As we have previously stated, we will apply a gainsharing method of costing enhanced efficiency and productivity achieved at the LIRR through negotiated changes to work rules and other provisions of the parties' collective bargaining agreement. We retain and resubmit the proposed work rule changes as set forth in the LIRR's Section 6 Notice in this regard. The LIRR continues to advance this bargaining approach so that the efficiency savings may be applied towards gross wage increases and other bargaining unit proposals, with the understanding that the outgoing cost of the contract must remain consistent with the approved MTA Financial Plan.

Accordingly, we trust that the organization shares our interest to continue engaging in good faith discussions on bargaining unit contract proposals for this round that meet our mutual objectives. I am confident that we will be able to identify opportunities within our proposals that will advance our ability to reach an amicable agreement.

The Carrier's counter proposal to each of the Organizations was identical and provided in its entirety as follows:

1. Term

    a. 50 months (amendable August 15, 2027)

2. Gross Wage Increases

    a. June 16, 2023: 3.0%
    b. June 16, 2024: 3.0%
    c. June 16, 2025: 3.5%
    d. August 16, 2026: 2.0%

3. Lump Sum

    a. All active employees shall receive a signing bonus of $3,000 upon full and final ratification.

4. Health Insurance

    a. Effective as soon as practicable after full and final ratification, newly hired employees shall contribute 3% of base wages (40 hours) towards the cost of health insurance.

5. Work Rules and Productivity Enhancements

a. Work rule modifications that yield efficiencies and productivity savings for the Carrier shall be applied as gainsharing and towards a value exchange with the Organization.

The Carrier continues to reserve the right to add to, delete from or otherwise modify our demands in these proposals. The Carrier further reserves its rights to maintain the proposed work rule changes as set forth in the Carrier's Section 6 Notice.

Although the counterproposal by the Carrier added a 2.0% GWI, effective August 16, 2026, it did not include the proposed changes in Dental and Vision Benefits which the Carrier estimated was equivalent to a GWI of 0.52% that was scheduled to be implemented on January 1, 2025 for those employees covered by the 2023 and 2024 Agreements that the Carrier had reached with SMART, NCFO, and IRSA. The counterproposal did, however, include the lump sum bonus that was not part of the Agreements reached in 2023 and 2024 with the Carrier.

On December 17, 2024, a virtual mediation session was held. At that session, the Carrier discussed a multi-faceted proposal concerning the topics of Occupational Injury and Disability Pay. (Greater details are described at page 61, infra, and are contained in Carrier Exhibit 47.) According to a January 3, 2025 letter that the Carrier sent to the NMB, the Carrier complained that the Organizations all refused to engage in dialogue concerning the proposal beyond indicating that they were unwilling to agree to the proposed changes.

On December 20, 2024, the NMB cancelled mediation sessions that were scheduled for January 2025.

On April 28, 2025, the NMB issued a notice scheduling a virtual mediation session for May 21, 2025. The Organizations asserted that there was no movement from either side at that session.

On June 30, 2025, the NMB issued a notice scheduling sessions for July and advised the Parties to provide costing information for their proposals.

At a July 9, 2025 mediation session, the Carrier made two proposals for new Agreements – one with the BLET and another to each of the BRS, TCU, IAM, and IBEW that it characterized as a "platform proposal." The BLET proposal was for a 37-month term, with:

1) GWIs of 3%, 3%, and 3.5% on June 16th of 2023, 2024, and 2025 respectively;

2) a $3,000 lump sum upon ratification;

3) a new 5.8% "productivity step" to be added to the wage scale after one year at the top step (costed by the Carrier as equivalent in cost to a 4.70% GWI);

4) a requirement that, after ratification, health insurance contributions increase from 2% (up to 40 hours a week) to 3% on all wages (costed by the Carrier as equivalent to a 1.65% reduction in GWI); and

5) six work rule and productivity improvements (Carrier calculated cost equivalents in parentheses), consisting of computer-based training (CBT) (0.25% GWI), electronic payroll (no cost), a reduction in the On Job Injury (OJI) rate of compensation to 67%, but allowing employee use of sick leave (0.30% GWI), and the elimination of penalty payments under the commingling rule (1.13% GWI), the class of service rule (0.77% GWI), and the missed meal rule (0.61% GWI). The testimony of Mr. Dellaverson suggested that these items were costed by the Carrier using an approach that provided to the organization value equivalent to 50% of the projected cost savings, with the exception of the increase in health insurance contributions which were costed such that 100% of those costs were paid out. The net "going out" cost on a 36-month equivalent basis was calculated by the Carrier at 9.54%.

The "platform proposal" provided to the other Organizations was:

1. 37 month duration (June 16, 2023 through July 15, 2026)

2. Annual Gross Wage Increases:

    1. June 16, 2023: 3.0%

2. June 16, 2024: 3.0%
3. June 16, 2025: 3.5%

3. Ratification Lump Sum: $3,000 to all active employees in the bargaining unit as soon as practicable after full and final ratification.

The transmittal email indicated that the proposal met the MTA Financial Plan and the 9.54% outgoing cost of what the Carrier described as the "pattern agreements." Although neither proposal expressly mentioned retroactive pay, there has never been any indication that the Carrier had withdrawn its proposal to provide retroactive pay.

On July 9, 2025, mediation was scheduled to start at 9:00 a.m. The platform proposal was sent at approximately 7:45 a.m. and the Carrier's proposal to the BLET was sent by email at approximately 7:50 a.m. The transmittal emails noted that the Carrier was providing a modified proposal and costing, objected to any coalition bargaining and preserved its position regarding bargaining separately and handling each case individually, and reserved the right to consider and make alternative proposals as mediation efforts continued.

Mr. Dellaverson testified that the LIRR did not want to make a proposal that extended into a fourth year for multiple reasons. He stated that the Carrier did so only because of a strong request from the NMB in mediation that the Carrier do so. Mr. Dellaverson explained that, with respect to a fourth year, there were unique challenges relative to the MTA Financial Plan in the event that there was a fourth year that was not yet supported by a pattern settlement that could be applied budgetarily across the LIRR and across the entire MTA. He viewed the requested fourth year by the Organizations in this proceeding as breaking the SMART-NCFO-IRSA "pattern" established in 2023 and 2024 with respect to this round of bargaining. He also noted that, in the past, these Organizations have never been the leaders in developing a pattern and that role had been undertaken by the NYCTA and Transport Workers Union of America (TWU) Local 100, for MTA generally, and by SMART and TCU, who historically bargained in a somewhat

coordinated fashion, for the LIRR. Mr. Dellaverson characterized the request for a fourth year as "between rounds" bargaining and asserted that it would be destabilizing to permit it to take place. Thus, despite the fact that the Carrier made proposals in mediation that included a GWI for a fourth year, he urged the Board to confine its recommendations to a three-year Agreement and to follow the "pattern" for this round of bargaining that he asserted was established by the MTA and Local 100, other Transit Authority settlements, the agreements between the LIRR and SMART, NCFO, and IRSA, and the round of settlements reached at MNCR and its organizations.

With respect to work rules issues, Mr. Dellaverson testified that the Carrier made numerous attempts to bargain work rules and that the BLET, BRS, IAM, IBEW, and following the failed ratification of its initial TA, the TCU, declined to engage, ignoring the Carrier's repeated overtures to discuss those rules. The Carrier argued that the tactic of refusing to engage in discussions at the table should not operate to summarily bar consideration of those work rule issues under PEB precedent that has, at times, rejected consideration of proposed changes to work rules based upon a failure of those issues to have been vigorously considered in the bargaining process.

Ms. Coughlin testified regarding the bargaining at both carriers and also about the mediation efforts before the NMB. Ms. Coughlin noted that the Organizations applied for mediation before the BLET, BRS, IBEW, and IAM had even met the first time in bargaining. She noted that she had repeatedly raised the possibility of work rule modification to enhance the economic terms of the pattern agreement, but that none of the Organizations ever engaged in any discussions, much less participated in any give-and-take with respect to those areas. She testified that "every session started and ended the same" and that "I would first discuss the pattern terms,

including the net going-out cost and the ability to enhance the terms of the agreement and work-rule changes" and the Organizations "would not give any comment or engage in work-rule discussions at all." She recalled a session on September 12, 2024, a meeting that was specifically for the purpose of discussing the Carrier's work rule proposals, when the Organizations insisted as a condition of entering into those discussions that the Carrier enter into a nondisclosure agreement. When the Carrier declined to sign, the Organizations stated that they identified no work rules that they were willing to discuss at all. Ms. Coughlin stated that she viewed the Organizations' behavior as efforts "to insulate work rules from being discussed at all, [so as] to avoid their review at this [PEB] proceeding."

Ms. Coughlin testified that, in the sessions in the spring of 2025, she explained in detail various pattern-conforming modifications that had been agreed to at MNCR and that she felt could have been negotiated at the LIRR with the Organizations, including CBT (in lieu of training presently conducted in-person for an entire shift, employees would be required to complete CBT for up to 16 hours per year on their own time, outside of working hours, with straight time compensation paid upon completion of the training; if adopted, that change would reduce the need for overtime to cover assignments of employees who are being trained in-person), changes to vacancy coverage rules, elimination of meal penalties and allowances, modification to workforce scheduling rules, changes to overtime compensation eligibility, and others.

On July 23, 2025, at 7:56 a.m., in advance of a scheduled 9:00 a.m. mediation session on that same day, the Carrier sent a "revised proposal" to the TCU. The email did not expressly state whether this was in substitution for the prior platform proposal or an alternative. The September 29, 2025 written statement of Nicholas Peluso, National Vice-President and Assistant

to the President, TCU, stated that it was an alternative proposal, thus leaving the platform proposal also available to the TCU. The Carrier's revised proposal of July 23, 2025 to the TCU provided for the following:

1) a term of 50 months (June 16, 2023 through August 16, 2027)

2) GWIs of

a) June 16, 2023 – 3.0%
b) June 16, 2024 – 3.0%
c) June 16, 2025 – 3.5%
d) July 16, 2026 – 3.0%

(the Carrier valued the going out cost of these GWIs at 13.10%)

3) a $3,000 lump sum payment upon ratification

4) a new productivity step of 5.6% after one year at the top step

(the Carrier valued the going out cost of the productivity step at 3.86%)

5) an increase in the contribution rate for health insurance from 2% (40-hour cap) to 3% of all wages

(the Carrier valued this change at 1.70% GWI)

6) CBT (this change was valued at 0.28% GWI)

7) electronic payroll (valued at zero)

8) reduction in OJI payments to 67% with the ability to elect to use sick leave

(this change was valued at 0.12% GWI)

9) the Parties will meet and design an effective overtime equalization procedure and reporting location for every craft, with such procedures to be implemented no later than January 1, 2026, with a mediation-arbitration process on a final offer basis to be used to resolve any impasse with respect to those procedures (this change was valued at 0.22% GWI)

10) hours of service language limiting employees to work no more than 18 continuous hours absent a declaration of emergency due to weather or other exigent circumstance by the President of the Railroad or designee (valued at zero)

11) elimination of existing roster guarantees, no blanking requirements that required the filling of all vacant positions, rescinding the existing obligations that mandated bargaining unit members be the exclusive agents to sell MTA fare media on the Carrier's property or to customers of the Carrier, and allowing cross-utilization of bargaining unit members (this change was valued by the Carrier at 1.5% GWI).

On July 24, 2025, the NMB scheduled an in-person mediation session to be held on July 31, 2025. According to the September 26, 2025 statement of Mr. Klein, the Carrier stated, at the July 31st meeting, that its Section 6 notices "essentially just recycled items from its Section 6 Notices from prior rounds of bargaining" and that, as of July 31st, it still "was not prepared to provide work rules proposals to the BRS, IAM, and IBEW" and "was still consulting . . . to see what work rules concessions [the Engineering Department and Mechanical Department] might want from those unions." His statement further asserted that, at no time in the bargaining had the Carrier "demonstrated a serious purpose to modify benefits or change work rules" and "never pursued specific benefits changes or work rules with IBEW."

On August 13, 2025, the NMB, in accordance with Section 5, First of the RLA, urged the Carrier and the Organizations to agree to submit their collective bargaining disputes to arbitration as provided in Section 8 of the RLA. The Carrier accepted, but on August 14 and 15, 2025, the Organizations individually rejected the NMB's proffer of arbitration.

Ms. Coughlin noted that the Carrier had expected to continue discussions with the BRS, IAM, and IBEW and provide them with specific, revised proposals that would incorporate work

rule modifications, but was surprised when the NMB chose instead to proffer arbitration and to release the Parties.

On August 18, 2025, the NMB, under Section 5, First of the RLA, served notice that the LIRR and the Organizations were released from mediation. Accordingly, the Parties were required to maintain the status quo for 30 days, until September 18, 2025, at which time self-help (e.g., strike, lockout, unilateral implementation) would become available to them.

Section 9a(c)(1) of the RLA sets forth special procedures for commuter railroads. When a dispute is not adjusted under the other procedures of the RLA, Section 9a(c)(1) provides that any party to the dispute, or the Governor of an affected state, may request that the President establish an emergency board. On September 12 and 15, 2025—during the 30-day status quo period—the Organizations, in accordance with Section 9a of the RLA, individually asked the President to establish an emergency board to investigate and issue a report and recommendations concerning the disputes. Under Section 9a of the RLA, the creation of such an emergency board would impose a status quo period for an additional 120 days, until January 15, 2026.

On September 16, 2025, the President granted the Organizations' requests and issued Executive Order 14349, which created this PEB, effective September 18, 2025.

IV. ACTIVITIES OF THE EMERGENCY BOARD

Following preliminary videoconferences, the Board issued organizational letters on September 19, 2025 and September 27, 2025 in which the ground rules for the Board's procedures were set forth. The ground rules set a deadline of October 1, 2025 for the Parties to file pre-hearing submissions with the Board. Hearings on the dispute were held on October 5, 6, 7, and 8, 2025 in Washington, DC. The Carrier and Organizations were represented by counsel

and had a full and fair opportunity to present oral and documentary evidence and argument. On October 9, 2025, the Chair met informally with the Carrier and the Organizations in an attempt to facilitate a settlement of the disputes. Although these efforts were unsuccessful, the Board benefitted from the Parties' candor during these meetings. The Board appreciates the Parties' courtesy and cooperation during the hearings and these informal discussions.

The Board then met in a series of Executive Sessions by videoconference in order to reach consensus regarding its recommendations and to prepare and finalize this Report.

V. RECORD EVIDENCE AND CONTENTIONS OF THE PARTIES

The evidence and arguments presented at the hearings related to the following: 1) settlements at the Carrier, at MNCR, at the NYCTA and at other MTA Operations; 2) current settlements in the Commuter Rail Industry; 3) other claimed comparator settlements; 4) increases in the cost-of-living since June 2023; and 5) the MTA Financial Plan and Budget.

Following an overview of that evidence and arguments, all of which were carefully considered by the Board whether or not specifically referenced in this Report, we will set forth our Recommendations for a fair and appropriate resolution of the matters in dispute in this case.

Prior Settlements in this Round of Bargaining at the LIRR

Five of the organizations at the LIRR reached voluntary settlements with the Carrier: SMART-TD (November 3, 2023 Agreement); SMART-YDM (January 12, 2024 Agreement); SMART-SMW (March 25, 2024 Agreement); NCFO (April 30, 2024 Agreement); and IRSA (October 2, 2024 Agreement). Each of those agreements had a term of 38 months and provided for GWIs of 3% at the beginning of year one, 3% at the beginning of year two, and 3.5% at the beginning of year three, and full retroactivity to June 16, 2023. The amendable date for each of

those agreements is August 16, 2026, with a moratorium on the service of Section 6 Notices until May 16, 2026. The Carrier explained that a "stretch" in the term of the agreement from a 36-month term to a 38-month term produces the equivalent of "savings" in the "going out" cost of 0.27% of wages for each month of the "stretch."

The SMART-TD and LIRR Agreement

The SMART-TD Agreement continued the prior agreement with the following changes:

1) The agreement had a term of 38 months and provided for GWIs of 3%, 3%, and 3.5%, as noted above.

2) Employees hired after ratification contribute 3% of straight time earnings towards the cost of health and welfare benefits, instead of the 2% of straight time earnings contribution being made by existing employees. Given the large amounts of overtime typically worked by employees and the fact that the change would be prospective and phased-in only as new hiring occurred, the Carrier costed this change as equivalent to a negative 0.31% GWI. The cost during the life of the agreement would be near zero. The Carrier, however, took the present value of future increased contributions when it arrived at the negative 0.31% GWI valuation. This change will be referenced hereinafter as "Health Insurance 3% – New Hires Only."

3) Effective January 1, 2025, all active employees would be converted to the Dental and Vision Benefits program provided to non-represented employees at the LIRR. SMART-TD desired the change in benefits, which were considered superior to the existing Dental and Vision Benefits. The Carrier costed this change as equivalent to a 0.52% GWI.

4) Existing requirements to provide printed pay checks, draft checks, or printed pay advices were eliminated, with all payroll functions becoming electronic in nature. Direct deposit

became mandatory. There was no cost associated with this change, which will be referenced hereinafter simply as “Electronic Payroll.”

5) The MOU recognized that bereavement allowance may be used during the period of mourning, including later-occurring memorial services provided that the allowance is not otherwise exceeded. There was no cost associated with this change, which is referred to hereinafter as “Bereavement Allowance.”

6) The Carrier was granted the discretion to hire new employees above the entry (minimum) step in cases of “hard to recruit” titles. The SMART-TD agreement is silent regarding the effect, if any, on the wage rates of incumbent employees in progression in the event that the Carrier opts to hire new employees above the entry step. Similar wage progression provisions in a number of agreements that were reached later in this round of bargaining with organizations at both the LIRR and at MNCR provide that, if the Carrier exercises its discretion to hire employees above the entry step, then existing employees are to receive an equity adjustment placing any lower paid existing employee in the same wage step as the new hires and thereafter following the progression requirements. It is our understanding that the wage provision language in those later agreements has also been extended to the SMART-TD bargaining unit. This change will be referred to hereinafter simply as “Wage Progression.”

7) The MOU contained language that indicated that the parties agreed to continue discussions on the Carrier’s work rule reform proposals, after ratification, but agreed further that those consensual continued discussions were outside of the scope of Section 9a of the RLA. A side letter, dated the same date as the MOU, identified the particular work rules that the Parties agreed to continue discussing, including the commingling rule and the class of service rule. There was no evidence, however, that agreement was actually reached to change or eliminate any

of those work rules and monetize the savings projected from such modification or elimination. Some of those work rules changes identified for discussion appeared in one or more MNCR Agreements in this round of bargaining. This will be referred to hereinafter as "Continued Discussion – Work Rules."

8) The MOU included a limited "me too" type of provision applicable only if the Carrier reached subsequent agreement with other organizations in the current round of collective bargaining that provided for superior provisions as a result of that organization trading a valuable work rule. In such an event, the Carrier agreed to offer to SMART-TD an opportunity to reopen bargaining and to trade a similar or equivalent value work rule for its equivalent in wages or other items of equivalent value. This will be referred to hereinafter simply as "Me too" or "Reopener."

Unlike a number of the other agreements in this round that were reached in other MTA subsidiaries, the SMART-TD Agreement contained no provision for any lump sum ratification bonus. The Carrier asserted that its value was exchanged for the costs associated with the implementation of the Dental and Vision Benefits improvements.

The SMART-YDM and LIRR Agreement

On January 12, 2024, SMART-YDM and the Carrier entered into an agreement that was identical to the November 3, 2023 SMART-TD Agreement. The SMART-YDM Agreement was accompanied by a Continued Discussion – Work Rules side letter, also dated January 12, 2024.

The SMART-SMW and LIRR Agreement

On March 25, 2024, SMART-SMW and the Carrier entered into an agreement that was identical to the November 3, 2023 SMART-TD Agreement and the January 12, 2024 SMART-

YDM Agreement. The SMART-SMW Agreement was accompanied by a Continued Discussion – Work Rules side letter, also dated March 25, 2024.

On March 28, 2024, a letter agreement was reached that clarified that if the Carrier exercised its right to pay "hard to fill" titles above the entry rate provided for in the Agreement, then an equity adjustment (as described earlier herein) would be made. The letter also designated Plumbers as a "hard to fill" title and noted that the initial hire rate for new hires would be at 90% (Step 5) of the Journeyman rate, rather than at 70% as specified in the wage progression provisions of the Agreement.

The NCFO and LIRR Agreement

On April 30, 2024, the NCFO and the Carrier entered into an agreement that was identical to all three of the SMART Agreements with the Carrier. The NCFO Agreement was accompanied by a Continued Discussion – Work Rules side letter, also dated April 30, 2024. The Carrier and the NCFO also agreed to an April 30, 2024 Wage Progression side letter.

The IRSA and LIRR Agreement

On October 2, 2024, IRSA and the Carrier entered into an agreement that was identical to all three of the SMART Agreements and the NCFO Agreement with the Carrier. The IRSA Agreement was accompanied by an October 2, 2024 Continued Discussion – Work Rules side letter.

The Rejected TCU TA

On February 7, 2024 – after the SMART-TD and SMART-YDM Agreements, but prior to the SMART-SWM, NCFO, and IRSA Agreements – the TCU and the Carrier agreed to the TCU TA. The terms of the TCU TA varied from those of the other agreements at the LIRR in a number of respects.

First, the GWIs were in different amounts and were effective on different dates. The TCU TA provided for GWIs of 4% (effective June 16, 2023); 4% (effective August 16, 2024); and 3.4% (effective October 16, 2025), and for a lump sum ratification bonus of $1,000. Back pay was provided for increases in pay that were retroactive.

Second, the TCU TA included the same Dental and Vision Benefits changes contained in the SMART-TD and SMART-YDM agreements, but made access to those improved benefits effective as soon as practical after ratification (as contrasted with the January 1, 2025 date in those other agreements).

Third, an increase in health insurance contributions, effective concurrently with the Dental and Vision Benefits, was agreed upon. For incumbent employees, contributions towards health insurance would have increased from 2% to 3% of base wages (up to 40 hours per week). For employees hired after ratification, the contribution rate was set at 3% of all earnings (i.e., no 40-hour cap). This will be referred to hereinafter as "Health Insurance 3% – (All Wages)."

Fourth, the TCU TA contained the same Bereavement Allowance, Electronic Payroll, Wage Progression, Reopener, and Continued Discussion – Work Rules language found in the SMART-TD agreement.

Fifth, there were additional commitments to negotiate an effective overtime equalization procedure to be fully implemented no later than January 1, 2025. If no agreement was reached by December 1, 2024, then the Parties were to present final offers to a Mediator appointed by the National Mediation Board who was required to select the most reasonable offer.

Sixth, the TCU TA included a continuous duty provision that barred working any employee more than 18 continuous hours "unless the President of the Railroad or his/her

designee has declared an emergency due to weather or other exigent circumstance." This will be referred to hereinafter as "Continuous Duty."

Seventh, the TCU TA provided that the duration of the TCU TA was from June 16, 2023 through December 15, 2026 – a period of three and one-half years (42 months).

The TCU TA was accompanied by a Continued Discussion – Work Rules side letter, also dated February 7, 2024. Those identified work rules mentioned in that side letter included the potential elimination of must-fill agreements and headcount guarantees, the elimination of various scope provisions addressing the exclusive right of TCU bargaining unit employees to sell tickets and fare media, and provisions for increased cross-utilization of employees, among other items.

After the TCU TA was voted down by the membership, the TCU requested mediation from the NMB and joined the Organizations in this case in mediation and before this PEB.

The Costing of the LIRR Agreements

There was testimony from the Carrier that the "going out" cost of each of the LIRR Agreements, after taking into account other cost additions and savings, was the same: i.e., 9.50% over the 36-month period from June 16, 2023 through June 15, 2026.

For the SMART-TD Agreement, the Carrier costed the 3%/3%/3.5% GWIs at a going out cost of 9.80%. (3% and 3% and 3.5%, compounded, is 9.80%). The cost of increasing the health and welfare contributions for new hires was costed as equivalent to a negative .31% GWI, which was a present value estimate of the additional 1% contribution rate for such hires. The additional Dental and Vision Benefits were estimated to have increased costs to the Carrier of 0.52% equivalent. Finally, an additional two-month term of the Agreement, during which time no wage increases would be granted, was credited as equivalent to a negative 0.51% in GWI, for a net

overall cost of 9.50%. (The testimony of Mr. Dellaverson indicated that the Carrier used a cost savings factor of 0.27% per month for "stretching" the term of the Agreement, which would suggest that perhaps the cost for the change from a 36-month term to a 38-month term should have been 0.54%.)

For the SMART-YDM, SMART-SMW, NCFO, and IRSA Agreements with the LIRR, the costing methodology was similar.

No costing was provided with respect to the TCU TA that failed ratification.

The testimony from Mr. Dellaverson and Ms. Coughlin make clear that:

1) the focus was on the "going out" wage cost – i.e., the wage cost at the end of the proposed Agreement, adjusted by any work rules or or productivity improvements or changes in health benefits or contributions that had continuing impact and any "savings" associated with "stretching" the term of the agreement;

2) monies that were one-time in nature were ignored for purposes of the costing calculations; thus, a settlement that included a lump sum and one that did not (or that had a lower lump sum payment) were not costed differently;

3) the timing of the increases were ignored; the sole focus was on "going out" wage cost; thus, a hypothetical settlement that provided for a 9.5% increase in wages on the first day and none thereafter would be treated the same as another hypothetical agreement that provided for increases whose going out cost was 9.5%, but that phased in those increases during the period of the settlement (or even provided the entire 9.5% on the last day and provided for no wage increases prior);

4) the focus with respect to work rules changes was on the "cost" to the Carrier, not to the impact on employees, either individually or in an aggregated manner; Mr. Dellaverson explained

that certain changes, such as increased health insurance contributions, were treated as "right pocket, left pocket" and were costed at 100% (such that the full value of any concessions were credited against the negotiated increases in compensation), but that others such as changes to work rules or productivity improvements were costed at 50% or at whatever other gainsharing costing resulted from agreement with the organization after discussions;

5) the value of the work rules changes were based upon what the Carrier believed was the value of a given work rule change, even if the work rule had a different value or impact on employee compensation; and

6) while some rules changes and their impact could be accurately measured, others required utilizing various assumptions to arrive at a value.

Mr. Roth opined that, when the costing of the LIRR and MNCR agreements are viewed together, it appeared that the Carrier had artificially placed values on certain items in order to support its assertion that the particular settlements were all pattern-compliant.

The Settlements at Metro-North in this Round of Bargaining

The Parties introduced a number of settlements between various organizations and MNCR. Some of the settlements were for extended periods and consisted of a combination of the prior round and the current round of bargaining. The settlements that were introduced were reached between September 13, 2024 and August 22, 2025.

The Association of Commuter Rail Employees (ACRE) Division 1 and MNCR Agreement

On September 13, 2024, ACRE Division 1 and MNCR reached an Agreement covering Conductors and Assistant Conductors. The period covered by the Agreement was September 2, 2021 through May 1, 2027 (5 years, 8 months). The 68-month Agreement provided for general wage increases of:

July 1, 2021 – 2.5%
July 1, 2022 – 2.75%
September 1, 2023 – 4.00%
December 1, 2024 – 4.00%
March 1, 2026 – 4.20%

The Agreement provided for full retroactive back pay. The ACRE Division 1 Agreement also contained the following additional provisions:

1) a Health Insurance 3% - All Employees (40 hours) provision.

2) Annual longevity pay of $1000 to be paid after an employee has reached ten years of MNCR creditable service and thereafter.

3) Work rules changes included: a) the elimination of all contractual limitations on weekend assignments that restrict the number of on-duty hours; b) Wage Progression language, with the Carrier meeting to discuss any impact such a decision has on incumbent employees; c) a change in the rate at which Swing Pay would be paid to 90% of the straight time rate, effective January 1, 2025; d) after ratification, the Crew Book shall be distributed exclusively by electronic means; e) CBT; and f) after ratification, the calling order for the Passenger Extra List shall be by Line and in order of adjacent crew bases and will be made before calls are made from the Passenger Rest Day Lists.

The ACRE Division 9 and MNCR Agreement

The ACRE Division 9 Agreement with MNCR covers the Locomotive Engineers. Its provisions are identical to those in the MOU between ACRE Division 1 and MNCR, summarized above.

A September 13, 2024 Letter of Agreement between ACRE Division 1 and ACRE Division 9 and MNCR, provided as follows:

Re: Annual Safety Apparel and Equipment Allowance

Dear Sirs:

> The parties have engaged in extensive discussions over the course of multiple years regarding the established 2021-2023 round of collective bargaining between Metro-North Railroad and ACRE Local 1 and ACRE Local 9. In connection with those discussions for that contract term, the parties have agreed that effective January 1, 2025, there shall be an annual $500.00 safety apparel and equipment allowance payable to all active employees in the bargaining unit. This annual allowance serves to enhance safety at the railroad and is separate from the annual boot allowance. Lastly, this allowance is non-pensionable and shall not be factored in 1/52nd vacation payment.

The IBEW System Council No. 7 and MNCR Agreement

On December 30, 2024, an MOU was signed between IBEW System Council No. 7 and MNCR for a collective bargaining agreement whose term was 7 years, 9.75 months (93.75 months). The Agreement covered the period September 1, 2019 through June 21, 2027.

The Agreement provided for the following GWIs:

September 1, 2019 – 2.00%
September 1, 2020 – 2.00%
September 1, 2021 – 2.5%
September 1, 2022 – 2.75%
November 1, 2023 – 4.00%
February 1, 2025 – 4.00%
May 1, 2026 – 4.2%

The GWIs thus mirrored those in the ACRE Division 1 and Division 9 agreements during the period September 1, 2021 through March 1, 2027, but had additional increases prior to the ACRE GWI schedules period and had a term that continued for another one and three-quarters months after the ACRE Agreements.

The IBEW Agreement provided for full retroactive back pay and a $3,000 ratification bonus.

The IBEW Agreement contained a number of other changes including the following: 1) Health Insurance 3% - All Employees (40 hours); 2) Electronic Payroll; 3) CBT; 4) Continuous Duty; 5) an extension of the probationary period on a prospective basis; 6) a provision that treated employees who absent themselves from work for 10 days without notifying the Carrier as having resigned and as removed from the seniority roster unless the Carrier is

provided evidence of physical incapacity or circumstances beyond the control of the employee that precluded the employee from providing such notice; 7) the elimination of all meal allowances and penalties for working through a meal period, whether on a regularly assigned shift or on overtime; 8) Wage Progression language that had limitations different than the Wage Progression language agreed to in other Agreements at LIRR and at MNCR; 9) establishment of a new Positive Train Control Electrical Worker position in the IBEW bargaining unit; 10) creation of a new top step for Electrical Worker titles in the Power and Structures Departments that is to be paid at $2.25 per hour above the 100% top rates in effect for those titles (it was not clear whether other revisions to the wage structure for those job titles were also agreed upon); and 11) Reopener language.

The TWU Locals 2001 and 2055 and MNCR Agreement

On March 11, 2025, TWU Locals 2001 and 2055 and MNCR agreed to an MOU that provided for a three-year (36 month) term from November 1, 2023 through October 31, 2026, covering Coach Cleaners, Carmen, Carmen Helpers and Cabinet Makers.

The TWU MOU provided for GWIs of 3% (November 1, 2023); 3% (November 1, 2024); and 3.5% (November 1, 2025). The Agreement further provided for a $3,000 ratification lump sum payment; retroactivity and back pay; provisions for Electronic Payroll; CBT; and a new technology provision in which the Parties agreed that new technology would be implemented cooperatively and with requisite training, would not supplant the current scope of the TWU, and that disputes would be arbitrable in accord with Section 3 of the RLA.

The ACRE Division 113 and MNCR Agreement

On June 26, 2025, ACRE Division 113, representing Rail Traffic Controllers, entered into an MOU with MNCR for a three-year (36 month) agreement from August 3, 2023 through August 2, 2026.

The terms were the same as those in the TWU Locals 2001 and 2005 Agreement with the following differences: 1) the dates of coverage and of the wage increases were different; the anniversary dates were August 3 in 2023, 2024, and 2025, instead of November 1; 2) the MOU contained Wage Progression language mirrored after the wage progression language in the ACRE Division 1 Agreement with MNCR; 3) there was no new technology language; and 4) there was Reopener language.

ACRE Division 113 and the MNCR also agreed to a letter, dated June 26, 2025, that provided for a $500 annual safety and clothing allowance applicable to all active employees in the bargaining unit.

The ACRE Division 37 and MNCR Agreement

On July 18, 2025, ACRE Division 37 and MNCR reached an MOU covering Power Directors and providing for a new collective bargaining agreement for the same period as that of the ACRE Division 113 agreement (August 3, 2023 through August 2, 2026). The substantive terms – i.e., the GWIs, retroactive back pay, ratification lump sum, work rules, and $500 annual safety and clothing allowance provisions – also were identical to that contained in the ACRE Division 113 agreement.

The NCFO and MNCR Agreement

On August 22, 2025, the NCFO and MNCR agreed to an MOU that provided for a new agreement from July 1, 2023 through December 30, 2026, a period of three and one-half years (42 months). The MOU provided for GWIs of:

July 31, 2023 – 4.00%
October 31, 2024 – 4.00%
November 30, 2025 – 4.20%

The parties also agreed to: 1) retroactive back pay; 2) a $3,000 lump sum as of May 1, 2026; and 3) Health Insurance 3% - All Employees (40 hours) language.

With respect to work rules, the MOU included provisions regarding: a) Electronic Payroll; b) CBT; c) Continuous Duty; d) Wage Progression; e) increased flexibility in workforce scheduling, including schedules of four 10-hour days, flexibility in the starting time and the creation of non-consecutive shifts; f) Reopener language; and g) provisions requiring displacements through the exercise of seniority to be effectuated within 48 hours of the action requiring the displacement.

The SMART-Mechanical and Engineering Department and MNCR Agreement

On August 22, 2025, the same day as the NCFO and MNCR Agreement, SMART-Mechanical and Engineering Department (SMART-ME) and MNCR reached agreement on a MOU that covered the term from August 3, 2023 through January 1, 2027, a term of three years and five months (41 months). Except for the increases taking effect four days after the dates in the NCFO MOU, the GWIs were identical to those in the NCFO MOU. All of the remaining terms of the SMART-ME MOU were identical to the terms of the NCFO MOU described above.

The Costing of the MNCR Agreements

As noted, the Carrier maintained that there was an "MTA Pattern" that applied uniformly across the LIRR, MNCR, and the Transit Authority and related operations. The Carrier asserted that the going out cost of the MTA Pattern, on a 36-month equivalent basis, was approximately 9.50%.

The Carrier also stated that each of the aforementioned MNCR Agreements were "pattern agreements" that were of equivalent value to the LIRR Agreements and to the Transit Authority and other MTA Agreements.

The material regarding costing of the MNCR Agreements that was provided by the Carrier, like that it provided with respect to the costing of the LIRR Agreements, was a summary of costs without backup information and without any detailed explanation of the costing for many of the work rules items. The costing exhibit introduced by the Carrier (Carrier Exhibit 140) reflected that the going out cost for each of the MNCR Agreements was between 9.51% and 9.57%. There appeared to be differences among the various agreements in the discounting of the percentages to a 36-month equivalent figure based upon the duration of the Agreements. The wage adjustment due to CBT was given different values in costing among the different Agreements – 0.22%; 0.23%; 0.26%; 0.28% (3 agreements); and 0.29% – without any rationale being provided for that different costing. There also appeared to be differences in the manner used to cost several of the longer-term agreements. For example, the Carrier separated the lengthy IBEW, ACRE Division 1, and ACRE Division 9 Agreements into two periods for costing purposes. With respect to the IBEW Agreement, the Carrier attributed the 2023 increase to the prior round of bargaining (absent doing so the IBEW Agreement would have had a cost significantly in excess of the claimed MTA Pattern). When the Carrier costed the lengthy ACRE

Divisions 1 and 9 Agreements, however, it attributed the 2023 increase to the current round portion of those Agreements.

Additionally, the Carrier provided no value at all for the $500 annual safety equipment and apparel allowance in any of the MNCR Agreements, providing differing explanations for that determination. Carrier Exhibit 140 indicated that those recurring costs were excluded because the payment was “addressing safety issues beyond pattern bargaining.” Mr. Dellaverson testified, however, that those payments were excluded from costing because the benefit was granted as a result of MNCR’s decision to maintain parity with another organization that had bargained that benefit at an earlier point in time; according to Mr. Dellaverson, MNCR did not wish to increase the cost of the “pattern” to reflect that benefit – an action that would result in the original organization receiving value a second time for that same payment. Regardless of the reason, however, the exclusion of the continuing payment resulted in understating the value of the MNCR settlements.

The Settlements at the NYCTA in this Round of Bargaining

On May 30, 2023, the NYCTA, a constituent agency of MTA, and TWU Local 100, reached agreement on the terms of their 2023-26 Agreement. A copy of the MOU, which covered the NYCTA, the MaBSTOA, and MTA Bus, provided for:

1) GWIs of 3% (May 16, 2023); 3% (May 16, 2024); and 3.5% (May 16, 2025);

2) a term of May 16, 2023 through May 15, 2026;

3) a $3,000 essential worker bonus, payable within 60 days of ratification;

4) a $1,000 supplemental essential worker bonus, payable within 30 days of the October 31, 2024 eligibility date;

5) increased MTA contributions to the Dental & Optical Fund in the amount of $4.00 per month per member;

6) an increase in the Maintainer Bonus to $1,000 per year;

7) a $2.00 per hour increase in the Articulated Bus Differential;

8) a $1.00 per hour increase in the Shifter Differential;

9) extended benefits to retirees in a number of areas, including providing MTA Bus Retirees with Retiree Transportation Passes and providing new Medicare-eligible retiree health options;

10) various departmental agreements addressing both work rules issues and select new or increased differentials for certain job titles;

11) improvements to the employee availability program and gainsharing to reward those with good attendance;

12) expanding the relationships that qualify for bereavement leave;

13) increases of paid maternity/paternity leave (2 weeks to 4 weeks) and creating paid birth mother recovery leave for the first 8 weeks following birth, to be used prior to using maternity leave; and

14) a “me too” provision applicable for the duration of the Agreement with respect to any agreements negotiated by any of the employers or the LIRR or MNCR that provided for GWIs greater than those provided in the NYCTA-TWU 100 Agreement.

There were a number of other changes negotiated, but without additional information beyond the MOU itself, it is difficult to determine their significance.

The Carrier introduced 11 MOUs that reflected a number of other Agreements reached in the current round, each of which it asserted was pattern-compliant. No point would be served in

lengthening this Report further to reflect the details of those settlements. There is significant variation between those agreements, similar to the variation seen in the LIRR and MNCR Agreements. Two are summarized simply by way of illustration.

A March 20, 2024 MOU between the TBTA and the Superior Officers Benevolent Association, provided for a term of 50 months (September 15, 2022 through November 14, 2026) and included GWIs of 2.75% (September 15, 2022); 3% (September 15, 2023); 3% (September 15, 2024); and 3.5% (September 15, 2025); an initial lump sum (Essential Worker Bonus) upon ratification of $3,500 and a second lump sum of $1,000, effective September 14, 2024; full retroactive back pay; increases in life insurance; increased leave carry-over; and enhanced health benefits to surviving pre-Medicare spouses of deceased future retirees.

A June 5, 2024 MOU between MTA Bus and TWU Local 100, provided for a 38-month term (October 1, 2023 to November 30, 2026); GWIs of 3% (October 1, 2023); 3% (October 1, 2024); and 3.25% (October 1, 2025); an Essential Worker Bonus of $3,000 upon ratification and a Supplemental Essential Worker Bonus of $1,000, effective March 15, 2025; changes to longevity pay; receipt of either an LIRR or MNCR pass for commutation; and the same improvements to maternity/paternity/recovery leave found in the NYCTA agreement.

A number of other NYCTA-related or MTA Bus-related settlements were introduced that included terms covering 2023-26 or 2024-27 and that provided for GWIs of 3%/3%/3.25% or 3%/3%/3.5% and Essential Worker Bonuses of $3,000 and Supplemental Essential Worker Bonuses of $1,000, among other terms. Those agreements were entered into between June 2024 and June 2025, and involved the NYCTA, MTA Bus, and SIRTOA and various TWU Locals, ATU Locals, and the Subway Surface Supervisors Association (SSSA).

Commuter Railroad Wage Settlements

The Organizations introduced evidence of recent settlements in other commuter rail operations. The Carrier asserted that the commuter rail industry is not an appropriate comparator and that the only relevant comparators are those internal to the MTA family.

Mr. Roth conceded that there was no evidence of any tandem pay relationship between wage movements at the LIRR and wage movements at any other commuter rail property. He asserted, however, that over the 20-year period from January 2003 to January 2023, if one compared the wage rates for Signal Maintainers and Locomotive Machinists with the average wage rates for each of those jobs at the 10 largest commuter rail properties in the United States (LIRR, MNCR, SEPTA, NJT, MBTA, METRA, Metrolink, PATH, MARC, and CalTrain, which collectively account for 93% of all commuter service), then the change in wage rates of the LIRR employees tracked closely with the commuter industry wage movement over the same period. Mr. Roth also asserted that a similar relationship would exist for any of the other major job titles represented by the Organizations. Mr. Roth concluded from those facts that the bargaining decisions made by the parties must have looked to the changes in wages at other commuter rail properties for guidance in reaching their own settlements.

The record revealed evidence of the following recent commuter rail agreements.

1) Massachusetts Bay Transportation Authority (Keolis)

July 1, 2023 to June 30, 2028 (60 months)

Mr. Roth testified regarding MBTA Agreements with the BLET and the TCU.

The GWIs for both Agreements were 5% per year, effective on July 1, with both a $2.00 per hour increase and a 5% increase effective June 15, 2027. There were two increases in monthly contributions of employees for health insurance – one upon ratification and a second

effective July 1, 2027. The overall increase over term, net of the increased health insurance contributions, was calculated for the BLET at 5.6% a year for EPO subscribers and 5.5% a year for PPO subscribers. (Higher additional contribution increases were applicable for PPO subscribers.) The overall increase over term, net of the increased health insurance contributions, was calculated for the TCU at 5.7% to 5.9% a year for EPO subscribers (depending on job title). For lower paid job titles, the percentage GWIs would be slightly higher over the entire term since the $2.00 per hour increase in 2027 would represent a higher percentage of pay for employees working in lower paid job titles.

The average increase would be slightly less than 5.00% for the period from 2023-2026 prior to the increase of both a 5% GWI and an additional $2.00 per hour on June 15, 2027.

2) Southeastern Pennsylvania Transportation Authority (SEPTA)

The GWIs for the March 3, 2023 through March 2, 2026 SEPTA-BLET Agreement were: 6.09% (July 21, 2024); 4% (July 6, 2025); and 3% (February 1, 2026). In addition, there were significant increases in report and tablet time, resulting in an effective GWI of 5% per year with a lump sum of $7,700 (including pandemic attendance bonus). There was no retroactive back pay, however, and as seen the GWIs were prospective only and thus were backloaded in the three-year term.

3) Virginia Railway Express (Keolis)

The VRE-BLET agreement was for a term of four and one-half years, from January 1, 2021 to July 1, 2025. During the entire life of the Agreement, the GWIs averaged 4.3%, net of health insurance contribution increases. Prior to offsetting the health insurance contribution increases, wages increased by 2% (July 1, 2021), 5% (July 1, 2022), 5% (July 1, 2023), 4% (July 1, 2024), and 4.5% (July 1, 2025).

4) Caltrain (TASI)

The July 1, 2022 – June 30, 2027 Agreement (five-year term) between TASI and the BRS provided for GWIs on July 1st of 5% in each of 2022, 2023, and 2024, and 4.5% in each of 2025 and 2026, for an increase on average of 4.8% per year. A number of differentials and allowances increased and the annual maximum increase in health insurance contributions was decreased from 10% to 6%.

5) New Jersey Transit Rail Operations (NJT)

The Parties disagreed regarding the terms of the recent settlement at NJT in the aftermath of PEB 251 and 252 and a brief work stoppage, including particularly its net cost after a large number of changes to work rules that had significant cost savings aspects. The unique aspects of the settlement, which resulted in an increase to wages for BLET-represented Engineers to bring their top hourly rate close to those of the LIRR, MNCR, and others (a 14.92% GWI on July 1, 2025 prior to consideration of the numerous cost-saving rules changes), render it of little value in attempting to translate that agreement into a comparator for the instant case. The Agreement, which spans the period from January 1, 2020 through December 31, 2027, has a wage reopener as of July 1, 2027 and a 3.00% GWI on July 1, 2026. There was no evidence as to how the July 1, 2025 through December 31, 2027 bargaining cycle has been or will be applied to other organizations at NJT.

6) Northeast Illinois Regional Commuter Railroad Corporation (METRA)

The 2026-33 Agreement between METRA and the NCFO is for a seven-year term and provides for: a $0.50 per hour wage increase on January 1, 2026; a 4.75% GWI on July 1, 2026; and annual 4.00% GWIs for each of the following six years (2027-32); 2) increases in pension contributions by METRA of $0.10 per hour per year and annual increases in health insurance

contributions. The 2026-33 Agreement between METRA and the BRC is similar with the same GWIs (other than the initial $0.50 per hour increase), the same pension increases (but timed slightly differently), and identical increases in health insurance contributions. The increase over the seven-year period, on average, net of the pension and health and welfare contribution changes, is 4.0% for the BRC and 4.2% for the NCFO.

The 2022-29 Amtrak Settlements

The Organizations also referred to the 2022-29 Agreements at Amtrak with the BMWED, IAM, ARASA-MW, BLET, and IBEW. The GWIs consisted of fixed amounts $7.00 per hour in February 2022 and $3.00 per hour in June 2024, and percentage GWIs of 4.0% (2022 and 2023), 4.50% (2024), 3.5% (2025 and 2026), 5.00% (2027), and 5.50% (2028). The average annual increase in wages per year varied from 4.1% to 7.7% with most between 4% and 5%. The premium payments by employees for health and welfare is frozen for the seven-year term, 10 weeks of paid parental leave was added, two additional holidays were agreed upon, and a new PTO program resulted in increases in paid time off.

The Parties disagreed as to the relevance of Amtrak to the wages paid to LIRR employees. Mr. Roth testified that while Amtrak is primarily an intercity passenger railroad, it also operates five commuter railroad systems, shares tracks and systems with other large commuter carriers (CDOT, SEPTA, LIRR, MARC, MBTA, NJT, and MNCR) along the Northeast Corridor. In fact, MNCR, SEPTA, and NJT all began commuter rail operations and drew their initial workforce from the same pool as Amtrak (i.e., Conrail). Many of the job classifications are similar and perform similar work and have similar training and certifications.

The Carrier disputed the applicability of Amtrak as a comparator, asserting that it was closer to a freight railroad than to a commuter railroad and maintaining that, historically, the wage rates at Amtrak were never used in negotiations as a comparator (at least by the Carrier).

There was no evidence addressing the link historically (if any) between wage movement at Amtrak and wage movement by the Carrier.

Other Claimed Comparators

The Carrier referenced settlements between various public sector entities in New York and their unions in support of adoption of the MTA/LIRR pattern. The Carrier relied upon: 1) the 2018-30 MOU between Nassau County and Civil Service Employees Association (CSEA) (an affiliate of the American Federation of State County and Municipal Employees, AFSCME) that provided for salary scale increases of 2.0%, 3.0%, 3.0%, and 2.5% in 2023, 2024, 2025, and 2026 respectively; 2) the 2017-24 Agreement between Suffolk County and Suffolk County Association of Municipal Employees, Bargaining Units No. 2 and 6, which provided for increases to the salary schedule between 2017 and 2024 of 2.5%, 1.5%, 1%, 1%, 1.5%, 2% and 2.5% respectively; 3) the 2021-26 Agreement between the State of New York and CSEA, Administrative Services Unit and the Institutional Services Unit, that provided for 3.0% increases to scale in each of 2023, 2024, and 2025; 4) the 2021-26 Agreement between New York City and AFSCME District Council 37 (DC 37), which was reached in February 2023, and provided for 3% increases in 2021, 2022, 2023, and 2024, and a 3.25% increase in 2025, a $3,000 ratification bonus, premium free health insurance plans, a new Child Care Trust Fund, and a minimum rate of $18 per hour, effective July 1, 2023; and 5) a 2021-27 Agreement between City University of New York (CUNY) and DC 37, reached in January 2024, that provides for 2.5% increases in each of 2021 and 2022, 3.0% increases in each of 2023 and 2024,

and a 3.125% increase in 2025, a minimum wage rate of $18.00 per hour effective July 1, 2023, continued health benefits with no employee premium costs, among other items. No information was provided regarding the impact of salary scale step movement or job reclassifications or career ladder movements on the rate of annual salary movements for any of these public sector agreements.

The Organizations maintain that the cited public sector agreements have never been utilized as comparators by the Parties in bargaining and involve operations that are dissimilar to the Carrier and jobs that are dissimilar to those worked by the employees of the Carrier.

The Carrier also cited to the fact that employees at the LIRR are highly paid when compared to others working in the community. According to the Carrier, among the five Organizations in this dispute, the median 2024 earnings were $131,212; average earnings were $136,331; and, when one adds in fringe benefits (both those that are statutory and those that are not), the average compensation and benefits in 2024 for this group averaged $200,427. (The figure for the BLET is $241,397, consisting of $169,190 in cash compensation, $32,011 in health care costs, $18,387 in pension costs (normal costs only), $161 in unemployment insurance costs, and $21,648 in Railroad Retirement Taxes.)

The Organizations responded that the high cash compensation is a result, in large part, of the very high amounts of overtime that were demanded by the Carrier; the Organizations argue that this overtime is affected by the decisions regarding staffing made by the Carrier. Further, the reasons for high wages for these positions is because they are highly skilled jobs, requiring substantial experience and training and in many cases certifications. The working conditions also contribute to the wage rates. There is no showing that any of the employees at the LIRR are

overpaid such that some adjustment to their pay was warranted or that they should receive a smaller than appropriate wage increase designed to allow them to keep pace with inflation. In that regard, the Organizations quoted from PEB 243 which said, at 20, n.9, that:

> No point would be served by any discussion of the Carriers' assertions that employees represented by the Organizations in this case should receive lower wage increases due to the existence of a "wage premium." While wages in the rail industry in recent years have been higher that wages paid to many who work in the same named job title in other industries, we cannot ignore the facts that: 1) despite this claimed "premium," the Carriers are proposing to increase wage rates beyond those being negotiated in other industries generally and at a time when the economy is still struggling; 2) the Carriers negotiated substantial wage increases with the UTU and the BLET whose employees are similarly asserted to be "overpaid" based upon the same type of economic comparison and analysis; and 3) this wage differential has continued for some years, suggesting that there are a variety of legitimate and compelling reasons for the continuation of those differentials, including but not limited to, differences in skill and responsibility and work environment and the impossibility as a practical matter of replacing large numbers of these highly trained (and in some cases certified) employees if they failed to report for work for whatever reason.

As in PEB 243, the Carrier did not assert that the high compensation of its employees warranted providing them with a wage increase that was lower than was otherwise appropriate. The dispute, at its essence, relates to the adequacy of the first three years in the "pattern" settlements with respect to preservation of "real wages" – i.e., wages after taking into consideration changes in the cost of living.

The Organizations argued that the comparison to community wage rates is inapt. It is well established that unionized employees are paid significantly more than non-union employees and receive much higher benefits as well. Mr. Roth noted that the populations of workers in the New York metropolitan area is heavily weighted with service and sales occupations, and with employment in retail, wholesale, agriculture, and food services industries – jobs that have nothing in common with operating craft or shop employees or signalmen or other rail employees.

The Carrier asserted, as well, that the Engineers at the LIRR have been for many years and remain number one in the industry in terms of base rate of pay. Mr. Roth performed an analysis that included collateral pay – i.e., pay for not performing work such as certification pay,

reporting pay, and the like. When a comparison is made that includes collaterals and attributes the proposed GWIs to the LIRR Engineers, the July 2025 rate of pay at the LIRR (including collaterals) is less than the pay rates at CalTrain, MNCR, MARC, Metrolink, and NJT.

The Organizations point to the high cost of living in the New York metropolitan area and the high productivity at LIRR (which includes load factors, unit costs, and the unique job challenges attendant to commuter work on Long Island and New York City) as factors that support continuing to provide those employees the highest wages in the industry.

Changes in the Cost of Living Since June 2023

Based upon testimony from Mr. Roth, the Organizations urged that the Board focus upon the Regional CPI-W for New York-Newark-Jersey City, NY-NJ-PA ("NY Regional CPI-W") as the most accurate measure of the impact of changes in the cost of living for employees of the Carrier.

Mr. Roth testified that during the three-year period from June 2023 through June 2026, using a combination of actual data and projected data, real wages would decline under a 3%, 3%, 3.5% agreement by approximately 2.1%. In reaching that conclusion, Mr. Roth used the NY Regional CPI-W data (which is published through August 2025), and then projected the index forward at a rate of 3.5% per year – a projection rate that Mr. Roth believed to be conservative in light of recent pricing trends and the risks going forward of additional inflation due to a number of factors, including the impact of tariffs.

Mr. Roth reached his view of 2.1% real wage loss over the 37 month term of the Carrier's platform proposal as follows:

Date	GWI	NY Regional CPI-W (June 2023 = 100)	Wage Rate
6-16-23	3.00%	100.0	103.00

6-16-24	3.00%	104.5	106.09
6-16-25	3.50%	108.0	109.80
6-15-26		111.8	109.80 [Carrier]
6-16-26	6.50%	111.8	116.94 [Organizations]
6-15-27		115.7	116.94

Mr. Roth calculated the real wage gain or loss by comparing the wage rate at the end of the Agreement with the change in the NY Regional CPI-W as of that same date. For the Carriers' proposal, this meant comparing 111.8 with 109.80, a loss of 2.0%. For the Organizations' proposal of a 6.5% GWI, this meant comparing 116.94 with 115.7, a gain of 1.2% (or 0.3% per year), which he asserted was a modest number by any measure.

Mr. Nadol maintained that the NY Regional CPI-W overstates the impact of changes in the cost of living for several reasons. First, he noted that the CPI-W was based upon a fixed "market basket" of goods and services that ignored substitution of one item for another based upon prices, shortages, and the like. He urged that consideration be given instead to the Chained CPI for All Urban Consumers (C-CPI-U) which he asserted provided the best approximation to changes in the cost of living in the real world. By not reflecting the changes in consumption patterns that consumers make in response to changes in relative prices, the CPI-W was asserted to be an upper bound cost-of-living index. Mr. Nadol noted that the C-CPI-U was a national index only. Mr. Nadol examined the change in the C-CPI-U from 2000 to 2025 and observed that the C-CPI-U increased during that period by 75.2%[2] whereas LIRR wages in the same period increased by 92.6%. From that data, he questioned Mr. Roth's contention that LIRR wages have failed to keep pace with changes in the cost of living.

[2] The C-CPI-U is issued on an initial basis, and then reviewed, at which time the results are published as interim, prior to becoming final some months later.

To the extent that the Board focused on the NY Regional CPI-W, with its focus on local price data, Mr. Nadol urged that the Board give consideration to both the chained and unchained CPI when attempting to gauge the question of cost-of-living and the related question of real wages.

Mr. Nadol also disputed the assertion of Mr. Roth that the trend is one in which the NY Regional CPI-W is expected to continue to exceed increases in the national CPI-W. Mr. Nadol noted that there have been periods when the NY Regional CPI-W exceeded the national CPI-W and periods when the opposite occurred and periods when the two were nearly identical. He observed that, for the period June to August 2025, the NY Regional CPI-W increased 0.0218% (annualized 1.3%) as contrasted with the national CPI-W which increased for that same period of time 0.0431% (annualized 2.6%). Mr. Nadol suggested that this may be indicative of a change in which the Regional CPI-W for NY lags the national CPI-W, rather than outpacing it as has been the case since early 2024.

Finally, Mr. Nadol questioned the 3.5% assumption of future growth in the NY Regional CPI-W used by Mr. Roth. Mr. Nadol cited and relied upon the August 15, 2025 Survey of Professional Forecasters, conducted by the Federal Reserve Bank of Philadelphia, and published by the Bureau of Labor Statistics, which projected CPI-U growth nationally at 2.9% (2025); 2.5% (2026); and 2.3% (2027), with projected average growth for the overall period of 2025 through 2029 of 2.43% a year.

There are multiple reasons why Mr. Roth asserted that, despite its flaws, the NY Regional CPI-W remained the most appropriate measure of changes in real wages in this case. First, he challenged the use of substitution-based indices, maintaining that if someone reduces consumption of steak in favor of lower-priced chicken due to increases in the price of steak, then

that person's standard of living has been adversely affected by the substitution even if his actual cost of living has not. Second, Mr. Roth noted the near-universal use of the CPI-W and CPI-U unchained as measures of changes in the cost of living. Third, he noted the approved use of these indices by PEBs over the years, including most recently in PEB 250, 251, and 252. Mr. Roth cited to the following discussion from PEB 250:

> The Parties disagree concerning the most appropriate measure of changes in the cost of living in this case. We agree that the CPI-W may tend to overstate somewhat the effects of inflation on individual workers to the extent that it fails to take into account substitution of lower priced commodities for those whose prices have spiked even further, but find nonetheless that the CPI-W has been and remains the most appropriate standard by which to measure the effects of inflation with respect to wage determinations. A number of reasons nevertheless support the use of the CPI-W as the appropriate barometer for measuring the amount of inflation, including particularly the parties' use of that measure over an extended period of time when they have agreed to index one or more pay related items and in connection with the calculation of COLAs when they were part of the Parties' wage structure. The index is also the most widely used index to measure inflation and the CPI, regardless of the precise variant, is what is most frequently captured in the media and portrayed to the public as the inflation rate. The fact that collective bargaining agreements often do not translate the full amount of the short-term spikes in the CPI into GWIs is a question of the weight to be given to the CPI, not whether the CPI remains the best available indicator of the extent of inflation.

PEB 250 at 38-39. Fourth, Mr. Roth noted that when the Carrier and these Organizations had cost-of-living escalator clauses in their agreements, it was based upon changes in the NY Regional CPI-W. (PEB 192) Fifth, in February 2025, the New York Assembly Ways and Means Committee published its New York State Economic and Review Report in which it forecast the following increases in the CPI-U: 2024: 3.8% NY Region and 3.0% U.S.; 2025: 3.3% NY Region and 2.7% U.S.; and 2026: 3.3% NY Region and 2.8% U.S. Sixth, the same Forecasters relied upon by Mr. Nadol recently raised their forecast for inflation. According to an October 4, 2025 web posting by the Philadelphia Federal Reserve, headline inflation (i.e., the CPI-U) is forecast to average 3.0% on an annual rate up from their prediction of 2.3% in their prior study.

The MTA Financial Plan and Budget

The budgets and funding of the MTA's agencies, including the LIRR, are established through the Financial Plan. The Financial Plan is a rolling five-year plan adopted every December for the following year. A copy of the MTA's 2026 Preliminary Budget and the MTA's July Financial Plan 2026-29, published in July 2025; the 2025-29 MTA Capital Plan; and a July 2025 Financial Plan Presentation document, dated July 30, 2025, were introduced by the Carrier. The MTA's 2026 Preliminary Budget includes a 2026 Preliminary Budget for the LIRR, as well as for other major MTA entities. Those documents have been carefully scrutinized and considered by the Board as part of its deliberations in this matter.

No useful point would be served by summarizing herein those lengthy documents. As pertinent to this dispute, there was discussion surrounding the fact that the MTA is required, by statute, to operate on a self-sustaining basis, thus requiring balancing of budget(s) annually. The MTA adopts Financial Plans that include the budget for the following year and financial plan forecasts for the four years following that budget year. Thus, the 2025 Financial Plan included a report on the adopted 2025 Budget, the preliminary 2026 Budget and forecasts for 2027, 2028, and 2029. The bulk of the testimony focused upon the Budget and Financial Plans for the MTA as a whole. Volume 2 to the 2026 Preliminary Budget and Financial Plan, however, included a section devoted to a separate Financial Plan 2026-2029 of the LIRR. At no point in the PEB hearings did the Carrier assert that there was a financial inability to pay for reasonable wage increases that were otherwise found to be appropriate. Unlike a number of prior periods, there was no claim and no showing that the MTA was in any dire financial straits.

Based on the final 2025 Budget, the MTA's primary Operating Budget revenues primarily are received from a series of dedicated taxes (which include, among others, a payroll

mobility tax, mortgage recording tax, and urban taxes), that cumulatively account for 43% of revenues; farebox revenues, that account for 26% of revenues; and toll revenues that account for 13% of revenues.

According to the July 2025 Financial Plan Presentation, dedicated tax receipts are above the forecast for 2025 by 3% and real estate tax revenue for 2025 was 17.8% higher than 2024 ($847 million vs $719 million) and was projected to increase an additional 10.6% in 2026 and an additional 22.6% in 2027 over the projected 2026 number. Farebox revenues, which accounted for 26% of the revenues of the MTA in the 2025 budget and which had accounted for 38% of revenues in 2019 (the last full pre-COVID-pandemic year) and toll revenues, which accounted for 13% of all revenues in the 2025 budget, each were projected to increase approximately 5.15% in 2026 over 2025 and an additional 4.95% in 2027 over 2026. The MTA is attempting to reduce the amount of fare evasion (which was described as a $1,000,000,000 a year problem) and paid ridership numbers are up and expected to increase further. In addition, congestion pricing has been generating significant new revenues, although their use is dedicated to capital projects. Dedicated tax receipts are up 3% above the forecast and subway, bus, and commuter rail revenues are each up by more than 2% over the budgeted amounts, at the same time that overall operating expenses are below budget by $56 million (1%). Additionally, there are expectations for casino license revenues to be provided to the MTA (reflected in the Financial Plan as a potential $500,000,000 source of additional annual revenue in 2026 and 2027, $600,000,000 of revenue in 2028, and $200,000,000 of revenue in 2029; the Financial Plan noted that the "approval, awarding, and commencement of operations of downstate casinos is uncertain in both outcome and timing"). The Financial Plan also noted favorable declines in Debt Service expense due to lower interest rates when compared with projections in earlier Financial Plans.

Overall operating expenses, according to the 2025 Financial Plan Presentation, consisted of payroll (33%), health and welfare (15%), pension (8%), overtime (4%) and other labor costs (3%), totaling 63% for labor and related costs, with the remaining 37% consisting of debt service (13%) and non-labor expenses (24%).

The MTA indicated that an assumed 2% wage increase was the number preliminarily included in each annual budget and forecast, pending additional information as to the actual wage increases that would be negotiated with respect to represented employees and implemented with respect to non-represented employees. MTA Chair Lieber noted that the budgetary impact of any wage increases negotiated or granted beyond 2% a year would be approximately $150 million for each additional one percent above the 2% figure.[3]

The MTA announced recently that roughly 4% increases in fares for the subway and buses and for the LIRR and MNCR would become effective in each of 2027 and 2029. The MTA observed that if fares increase by approximately 2% per year, then increases in wages that are greater than 2% a year must be funded from some other source, whether current revenues or through borrowing.[4]

The MTA has used the 2% placeholder number for wage increases in its budgets for a number of years. There has been no claim and no showing that actual wage increases have been

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[3] Chair Lieber in his testimony estimated the cost of the Organizations' 6.5% fourth-year increase at $675 million. (The difference between the 2% budgeted number and the requested 6.5% number is 4.5%. $150 million times 4.5 equals $675 million.) The 4.5% fourth-year wage increase recommended by this Board, if agreed to by the Parties, would have modest or no real cost. The 2% budgeted number is highly unlikely to be the wage increase negotiated by any of the organizations at the Carrier or elsewhere at the MTA, particularly after the 3%, 3%, 3.5% "pattern" settlement that failed to keep pace with inflation. There is only a cost associated with our recommendation to the extent that it is in excess of what the other organizations actually negotiate for the fourth-year. There is no reason to assume any differential in that regard, much less one that is significant in magnitude. Any suggestion, therefore, that our recommendation will cost the MTA $375 million ($150 million times 2.5 [the difference between 4.5% and 2.0% being 2.5%]) is highly speculative and unpersuasive.

[4] For purposes of providing monies for covering the cost of increases in wages, it would seem that farebox revenues would be the more relevant item. Moreover, no mass transit or commuter rail system in the country recovers all of its costs from farebox revenues and the MTA and the LIRR are no exceptions.

limited to 2% or have tracked the budgeted initial numbers in any way. To the contrary, review of the record evidence regarding the negotiated wage increases that preceded this bargaining round established that those negotiated rates were in excess of 2% per year and that monies were ultimately found elsewhere in the budget to fund those negotiated wage increases. As noted, the 2026 Preliminary Budget and Financial Plan introduced by the Carrier contained a separate Financial Plan for the LIRR (Carrier Exhibit 74, at V-53 to V-82) that used the same 2% placeholder estimate for wage increases that were not yet bargained.

After careful consideration of the submitted budget and financial information, we are persuaded that a modest and otherwise appropriate wage increase for 2026 for the Organizations is within the ability of the MTA/LIRR to pay, whether that increase is viewed solely by its effects on the costs of the Carrier or whether it is extended beyond in negotiations to other MTA entities.

VI. DISCUSSION AND RECOMMENDATIONS OF THE EMERGENCY BOARD

The Parties are in agreement with respect to the following GWIs:

June 16, 2023 – 3.00%
June 16, 2024 – 3.00%
June 16, 2025 – 3.50%.

The Parties are also in agreement that employees are eligible to receive a $3,000 lump sum payment upon full and final ratification. There also is no dispute that employees are to be made whole by payment of back pay for retroactive wage payments.

The areas of dispute in this case are few, but significant. The first is whether the Board should recommend a fourth year GWI, as requested by the Organizations. If so, we also must determine the amount and timing of that recommended GWI. The second question relates to the

appropriate disposition of the Carrier's requests for modification or elimination of work rules. Finally, the issue of duration needs to be addressed – i.e., determining the Moratorium and Amendable Dates.

After careful consideration, the Board is persuaded that a fourth GWI is appropriate and that it should be 4.50% and paid on July 16, 2026. The Board further recommends that, other than the proposal for Electronic Payroll, which is compelling and as to which the Organizations have voiced no objection, the request to recommend the imposition of other work rules changes be rejected. Finally, we recommend that the Moratorium Date for issuing new Section 6 notices be April 16, 2027 and that the Amendable Date be July 16, 2027.

A summary of the principal reasons for our recommendations follows.

A 2026 Fourth Year General Wage Increase is Not Barred in this Case by Pattern Bargaining Principles or Other Considerations

The Organizations have agreed to accept GWIs of 3%, 3%, and 3.5% for the first three years. The Parties spent significant time at the hearings arguing to the Board whether the settlements reached at the LIRR by SMART-TD, SMART-YDM, SMART-SMW, NCFO, and IRSA established a pattern that should be imposed on the Organizations in this dispute. They also argued with respect to whether there is a broader MTA-wide pattern and whether that claimed pattern requires rejecting the request of the Organizations for a fourth year GWI.

There is no question that pattern principles are a bedrock of bargaining under the RLA. The goals are to enhance stability, encourage parties to settle earlier rather than wait for the end of the cycle and attempt to use the earlier settlements as a floor, and avoid situations where there is constant pressure to leapfrog in ways that are destabilizing. The principle of pattern bargaining, however, should not be applied in a manner that effectively deprives these

Organizations of their ability to independently bargain under the RLA. These Organizations, collectively, represent approximately half of the represented employees at the LIRR.[5]

Whether or not it constitutes a "pattern," the LIRR settlements reached by SMART and followed by NCFO and IRSA unquestionably represent very significant and strong evidence of what constitutes an appropriate agreement for the Carrier and these Organizations. The terms were reached by arm's length bargaining, cover approximately half of the represented LIRR employees, and were negotiated with the Carrier by the largest organization on the property and one that has traditionally served as a leader in term negotiations. The pattern/not a pattern question, however, is of largely academic concern in this case because both the Carrier and the Organizations agree that the GWIs for the first three years are to be 3%, 3%, and 3.5% – a settlement that is consistent with all of the Agreements reached by the Carrier during this round of bargaining.

The question is presented as to whether it would violate pattern principles if the Organizations in this dispute negotiated a fourth year when the organizations that have already settled have not done so. After careful consideration, we are unpersuaded that, in this case, pattern principles deprive the Organizations of their ability to negotiate a fourth year, either to address the impact of inflation or for other reasons.

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[5] The Organizations represent approximately one-half of the Carrier's represented employees. The Carrier's emphasis on the fact that the Organizations represent only about 5% of the total represented workforce at MTA inappropriately diminishes their significance. Although settlements at the NYCTA and at MNCR are significant in the context of bargaining at the LIRR, and to some extent vice-versa, bargaining at the NYCTA involves different types of transportation operations and occurs in the context of a different statutory scheme that can impact the results of the bargaining process. Under the Taylor Law, the ultimate lawful means of resolving an impasse is interest arbitration, not the possibility of self-help as exists under the RLA. The application of the RLA to the operations of the LIRR was resolved by the United States Supreme Court in United Transportation Union v. Long Island Rail Road Company, 455 U.S. 678 (1982) in a unanimous decision that rejected a claim that the Tenth Amendment to the U.S. Constitution was violated by the application of the RLA to the Carrier and that, instead, the Taylor Law should apply to the Carrier.

The claimed pattern, as reflected in the Agreements reached at the LIRR to date in this round, addresses the approximately three-year period from June 2023 through July 2026 and addresses three annual GWIs and related changes to work rules and compensation during that period. These settlements do not purport to address compensation and working conditions in any other time periods. The fourth year being proposed cannot be found violative of pattern principles since there is no pattern covering a fourth year to be contravened. While addressing a fourth year would place these Organizations in the role of being the lead entities to negotiate wages and working conditions for that fourth year, it cannot be found to conflict with any pattern since there is no pattern applicable to a fourth year. We recognize that, historically, the BLET, BRS, IAM, and IBEW may not have been the leaders at the Carrier when negotiating successor agreements. The RLA does not, however, mandate that organizations that have traditionally been the leaders necessarily continue in that role in perpetuity and in a way that deprives other organizations from negotiating agreements of different length. When the prior round of agreements became amendable, SMART, NCFO, and IRSA negotiated and agreed to roughly three-year terms. The remaining organizations, after their respective amendable dates, enjoyed the freedom under the RLA to bargain compensation and working conditions for periods after that date, including for a term of years that differed from the period that SMART, NCFO, and IRSA and the Carrier chose to bargain. In fact, during this same round of bargaining, as can be seen from our review of the settlements at MNCR and the NYCTA and related properties, the length of agreements reached at a number of properties in the MTA family have varied in their duration, as well as in the timing of their wage adjustments, without claims that these variances violate pattern principles.

We agree with the Carrier that the Organizations' proposals in this case do not fall in the "pattern" created by the SMART, NCFO, and IRSA settlements. A 49-month agreement that provides for four GWIs is admittedly of different economic value, absent work rule changes that would render it otherwise, than a 37-month agreement that provides for three GWIs. Whether there actually is some difference in value will depend on the manner in which what would be the fourth year is addressed in future bargaining between the Carrier and SMART, NCFO, and IRSA. The Carrier itself, however, has recognized that there is nothing inherently improper in agreeing to a term that differs from that contained in the SMART, NCFO, and IRSA settlements. In proposals advanced to the Organizations during the mediation before the NMB – which constitutes virtually the entire bargaining that took place between the Carrier and the BLET, BRS, IAM, and IBEW in the current round – the Carrier advanced proposals in response to Organization demands for a four-year agreement that included a four-year term and wage increases in the fourth year. The Carrier had, in fact, negotiated a TA with the TCU that was 50 months in duration. The fact that the proposals that Carrier advanced were asserted to be consistent with the MTA Financial Plan is not relevant to the question of the propriety of the Organizations' ability to negotiate an additional year without contravening pattern principles. Whether it is permissible for the Organizations to negotiate a fourth year when no one else has yet done so is not dependent upon whether they are demanding a higher or a lower GWI for the fourth year. Nor is it dependent upon whether or not they are willing to agree to work rules changes for the fourth year.

The Carrier's proposals to the Organizations and the proposals by the Organizations to the Carrier in bargaining/mediation each included a fourth year. In the Carrier's initial four-year proposal, it proposed that the fourth year GWI be set at 2%, the number that was included in the

MTA's Financial Plan for increases in compensation prior to any agreements being negotiated that would encompass that period. The Carrier's final position reflected a 3% GWI in the fourth year, albeit with in some cases changes in work rules to fund a portion of that GWI.

The central question, therefore, is not whether there can be a fourth year, consistent with pattern principles, but rather the determination as to the size of the GWI and the additional question of whether the 49-month agreements should include any work rules changes. Since these Agreements would be the lead agreement at the LIRR with respect to compensation in the fourth year, there is no pattern established at the LIRR that would inform as to whether the appropriate GWI for the fourth year should be 2% or 3%, as reflected in the Carrier's last formal positions, or 6.5%, as reflected in the Organizations' last formal position, or something else. Nor does the record indicate the existence of any other such pattern at MNCR or any other members of the MTA family.

Prior to discussing the amount of the recommended fourth year increase, it is appropriate to address certain additional contentions raised by the Carrier during the hearings in this matter. The Carrier referenced the high rates of total annual compensation and robust benefits enjoyed by many of the employees represented by the Organizations. There is no question that the jobs at the Carrier are good jobs. The straight time rates of pay are high and the Carrier historically has paid employees at the top of the rates paid by commuter rail operations in the United States. Employees typically work large amounts of overtime. There are also provisions for penalties and allowances that, with respect to some of the crafts, are significant. The combined result is that annual earnings are high. Benefits are also excellent, with top tier health benefits provided under programs that require employee contributions that are much lower than are required from many other employers. Retirement benefits are also excellent, with employees eligible to earn

Railroad Retirement Act Tier I and II benefits and, in addition, benefits provided under a Carrier-sponsored supplemental defined benefit plan. Additionally, following retirement, employees and their families are eligible for post-retirement health benefits – something that is increasingly unavailable for many workers.

The excellent compensation package, however, provides no reason for not providing employees appropriate wage increases. The high rates of pay are a reflection in large part of the fact that many of the positions are highly skilled and require qualifications, training, experience and, oftentimes certifications, that may take years to fully acquire. The demands of the jobs, in terms not only of their physical and mental demands, but also in terms of their hours of work and availability requirements, likewise support the negotiated rates of pay and compensation. The high cost of living in the New York metropolitan area is an additional factor that contributes to industry-leading levels of compensation. While the Carrier asserts that it is having no problems recruiting and retaining employees, it acknowledges at the same time that it has a number of "hard to recruit" positions for which it needs relief from existing contractual hire rates to permit it to hire at rates higher than those set forth in the Agreements. In short, in those situations, the contractual wage rates are believed to be insufficient to recruit qualified candidates, but there is a belief that higher wage rates will permit the Carrier to attract a sufficient number of qualified recruits. Further, many of the employees represented by the Organizations work in positions that are critical to the Carrier's ability to operate and who could not be replaced in the event of a work stoppage or if they were to leave employment for any other reason. Moreover, the observations about the high rates of pay, generous benefits packages, and high rates of total compensation have been true for decades. No showing has been made that any of these facts

warrant recommending compensation less than is otherwise warranted after examining the compensation and changes in compensation of other relevant comparators.[6]

Additionally, the Carrier itself recognizes that, notwithstanding the high levels of compensation for these jobs, wage increases in the amounts supported by the full "pattern" are appropriate. There was no evidence that the wage improvements reflected in the LIRR "pattern" rates were inappropriate or unnecessary because of the high overall rates of compensation and benefits enjoyed by LIRR employees. Rather the Carrier negotiated with SMART, NCFO, and IRSA, wage increases that provided competitive market increases for the period 2023-26. Further, as noted, the Carrier's position last advanced to the Organizations before the NMB included a proposed fourth year increase, notwithstanding the industry-leading nature of their compensation.

Furthermore, the Carrier's budgetary concerns provide no basis for rejecting entirely a fourth-year increase in wage rates. In contrast to the concerns voiced by MTA Chair Lieber regarding the Organizations' proposal for a 6.5% GWI in the fourth year, our recommendations are more modest. Based upon the record evidence, we believe that our recommendations are well within the ability of the MTA to provide, whether or not extended through bargaining to the remaining employees of the Carrier or even the remaining employees of the MTA as a whole.

Having concluded that there are valid reasons to entertain the Organizations' request for a four-year agreement, the question is presented as to the amount of an appropriate fourth year GWI.

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[6] Similar arguments have been considered and rejected in the past. See, e.g., PEB 243 at 20 n.9 and accompanying text.

The Appropriate Amount of the Recommended Fourth Year GWI

The Organizations indicate that their primary motivation is to ensure that there is no loss of real wages during the term of the Agreement as a whole and presumably address that issue before many additional years will have lapsed by entry into agreements in the next round. Mr. Dellaverson candidly acknowledged that the "pattern" agreement was "not an amazingly good contract. Three, three, three and a half is not the kind of thing that people are carrying signs for" (Tr. 212). That observation is particularly apt in the context of a period of time in which inflation remains significant and wage rates in the commuter rail sector are progressing at most carriers at greater rates than the "pattern." The loss of real wages over the first three years of the agreement is a legitimate reason to undertake reasonable steps to try and maintain real wages or perhaps even increase them modestly in the next round of bargaining. At the same time, any GWI should be consistent with other relevant comparators. In this case, there are no internal comparators. Several of the agreements, both at MNCR and at other MTA properties, have 4.2% GWIs in 2026. They, however, were clearly part of the prior "pattern" and thus have limited significance in determining the appropriate GWI for 2026 for these Organizations. The GWIs for the commuter rail industry provide in this context some guidance as to an appropriate GWI in this case. Many of the settlements were in the 4% to 5% range over their terms and provide for increases for 2026 that are typically in the same range.

With respect to inflation, while the Board is persuaded that the "pattern" agreement at the LIRR will produce a loss of real wages in the first 37 months, we are unpersuaded that it is as large as argued by the Organizations for several reasons. First, while we agree with prior PEBs that the CPI-W remains the most appropriate gauge to measure the effects of inflation in this case, and further agree that the NY Region CPI-W is an even better measure to do so in this case

than the national CPI-W, we cannot completely ignore the effects of substitution that occur in times of changing prices and availability.

Second, the NY Region CPI-W has exceeded the national CPI-W for the most recent several year period, but it is somewhat speculative to assume that it will necessarily continue to do so from this point in time to July 2027. A projection needs to be made of the likely magnitude of future increases to the cost-of-living through that date, but we recognize that projections are just that and may prove ultimately to have been inaccurate. Bargaining under the RLA oftentimes results in agreements that are reached significant periods of time after the amendable date and thus as a practical matter look backward at actual inflation, rather than needing to project forward for the entire periods of time covered by those agreements. In this case, particularly given the role that projected inflation plays in the requested additional one-year GWI, a limited degree of conservatism seems appropriate. Any gross deviations can be addressed by the changes negotiated in collective bargaining agreements covering future periods of time.

Third, while we cannot know whether the projected 3.5% inflation assumption going forward is accurate, it seems slightly high in light of the most recently reported numbers and the current projections of other forecasters. We have adopted for our purposes an assumption that annualized rates of inflation will be 3.3% during the remainder of 2025 (the New York Assembly Ways and Means Committee projection for the NY Region CPI-U), 3.0% in 2026 (in light of current projections that suggest that inflations is likely to ameliorate somewhat in 2026), and 2.8% in 2027 (again based upon current projections to the same effect for 2027). If one utilizes those assumptions, then the assumed rate of annual increases to the cost-of living for the period June 2025 through July 2026 would be approximately 3.14% (a combination of 3.3% for the six

months of that period in 2025 and 3.0% for the seven months of that period in 2026)[7] and for the period from July 2026 to July 2027 would be approximately 2.88% (a combination of the 3.0% assumption for the five months during that period in 2026 and the 2.8% assumption for the seven months of that period in 2027).

Date	GWI	NY Regional CPI-W (June 2023 = 100)	Wage Rate	Real Wage Rate
6-16-23	3.00%	100.0	103.00	103.00
6-16-24	3.00%	104.5	106.09	101.52
6-16-25	3.50%	108.0	109.80	101.67
7-16-26	4.50%	111.7	114.74	103.00
7-16-27		114.9	114.74	99.86

[The Real Wage rate measures the ability of the package to preserve the wage rates in effect as of the end of the prior agreement against the impact of inflation. Mathematically, it is the Wage Rate divided by the NY Regional CPI-W multiplied by 100.]

A 4.5% wage increase on July 16, 2026, would yield overall compounded wage increases over the term of 14.74% (3.50% per year). The result is that there would be no material real wage loss under any measure for the period of the Agreements. The going out wage rate and going out inflation adjustment would reflect rough preservation of real wages.[8] In addition, the $3,000 lump sum payment should ameliorate any effects of inflation if our inflation projections prove to be slightly optimistic. When viewed as a whole, the 49-month agreement keeps pace with known and projected inflation, both on a long-term going out basis and also during the 49-month period itself.

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[7] Application of an annual rate of projected inflation of 3.14% for the 13-month period from June 2025 to July 2026 results in an inflation adjustment of 3.40% when one calculates real wage gain or loss.

[8] The very modest real wage loss all occurs in the month of July 2027. Until then, real wages remain positive during the entire 49-month Agreement. The 0.14% differential could well be zero if actual future inflation is lower than our projection.

The selected 4.5% proposed GWI for July 16, 2026 has the added benefit of being consistent with the data regarding wage movement in the commuter rail industry generally during this time period.

In PEB 252, we stated with respect to similar arguments over the maintenance of real wages:

> The second reason asserted for the large 14.0% requested general wage increase for FY28 is the claim that this is necessary to make up for real wage loss during the 2020-27 Agreements that resulted from higher than anticipated inflation. The BLET is correct that inflation during the term of the 2020-24 Agreement was higher than the negotiators likely anticipated when they reached their agreement to its terms in late 2021 and early 2022 and higher than in recent years. The BLET is also correct that maintaining real wages is a traditional goal and expectation of most labor organizations and, frankly, most interest neutrals as well. That does not mean, however, that it was shown to be customary for all real wage losses suffered during the term of a given collective bargaining agreement to be routinely recouped in full in the next round of bargaining, much less in the first year following the expiration of that collective bargaining agreement. Moreover, it is somewhat speculative to cite to future projected inflation numbers to support a claim of real wage loss. The only non-speculative period of real wage loss is that which relates to wage increases and levels prior to November 2024 – the last published Regional CPI-W number. Further, the Regional CPI-W has fluctuated in recent years in terms of whether it outpaces changes in the national CPI-W or vice-versa. We are persuaded that, after consideration of the impact of inflation on real pay during the 2020-24 Agreement and the projected impact of inflation on real pay during the 2024-27 Agreement, some greater than normal wage increase would typically be agreed upon in the following bargaining cycle. . . .

PEB 252 at 49-50.

The recommended GWI of 4.5%, effective July 16, 2026, should be sufficient to maintain real wages during the life of the Agreement, appears fair and reasonable in light of the data regarding wage trends in the commuter rail industry generally for 2026 (to the extent that is known as of this date), should be affordable in terms of the Carrier's and the MTA's financial situation, and hopefully can be used by the Parties to fashion a resolution to their dispute.

Work Rules

Turning next to the question of work rules change, we recommend no work rules changes other than the proposal for Electronic Payroll language. There are multiple reasons for this recommendation. The recommendation for adoption of the Electronic Payroll language has

obvious merit and there appears to be no significant adverse impact to any of the Organizations, none of whom voiced any real opposition to its adoption.

None of the more significant proposed work rule changes were subjected to meaningful bargaining during this round. The only evidence of the Carrier providing a detailed work rule presentation in bargaining with the Organizations concerned the Carrier's desire to change OJI pay and the method for processing OJI claims. That discussion occurred during a single virtual mediation session held on December 17, 2024. LIRR Deputy Chief Labor Relations Officer Coughlin wrote that she had provided an overview of the "complicated" subject of occupational injury/disability pay, as well as a summary of the Carrier's proposals aimed to increase availability, efficiency and mitigate against lengthy leaves of absence, but that the Organizations refused to substantively discuss the Carrier's proposals. Ms. Coughlin also enclosed a summary of the proposals she discussed and claimed that the changes would yield meaningful efficiencies for the LIRR in employee availability, disability pay, claims, FELA settlements, health and welfare benefits and many other savings associated with the occupational injury process and leave entitlements provided in the current collective bargaining agreements. However, the Carrier provided no evidence, data or other proof supporting these claims. The record before this PEB did not contain sufficient evidence to support a recommendation to adopt this proposed change, even assuming that the Carrier has urged the adoption before this Board of such a proposal.[9]

We appreciate that the Carrier attempted to discuss work rules during the negotiations, but was met with general opposition and a refusal to engage by the BLET, BRS, IAM, and

[9] There was no mention of the proposed changes to OJI pay in any of the Carrier's formal proposals extended later in bargaining to the Organizations and thus it is unclear at best whether the Carrier is affirmatively seeking a recommendation to adopt such changes or whether the discussion of those changes was limited to adopting these changes in the context of monetizing additional value to reach a settlement on compensation.

IBEW and, after rejection of its TA, by the TCU as well. The evidence of the bargaining, viewed as a whole suggests that the primary focus of the Carrier's discussion of these issues was an attempt to monetize the changes to allow further enhancement of the compensation bargain. There was little evidence that the Carrier communicated across the table an independent desire to implement at the LIRR many of the work rules changes that were achieved in bargaining with a number of organizations at MNCR. None of its proposals to the BRS, IAM, and IBEW included work rules changes. The Carrier's proposals to the BLET regarding work rules changes were made late in the bargaining without accompanying discussion or detail. The Carrier's proposals to the TCU were also made without discussion after the failed TA and none of those discussions were the subject of evidence before this Board. We are left without any basis upon which to support any recommendation to adopt one or more of those changes. Nor was there any showing that, following the rejection of the TCU TA, the work rules changes desired by the Carrier were ratifiable.

The Section 6 notices from all Parties, as is frequently the case, represented a wish list of many compensation and non-compensation items. The bargaining process is the instrument by which the proverbial wheat is separated from the chaff and priorities are identified and pursued further. In this case, the Carrier ultimately made no formal proposals to BRS, IAM, and IBEW for work rules changes in this round after it became clear that those organizations had no interest in trading work rules for compensation. The proposed work rules to the BLET were made fairly late in the bargaining process and do not appear to have been discussed by either the Carrier or the BLET to any significant extent in bargaining. The record contains no information that would allow us to make an informed determination to recommend them. Moreover, the Carrier agreed to defer discussions with SMART-TD, outside of the scope of Section 9a of the RLA, regarding

that organization's commingling rule and class of service rule, which the Carrier described in this proceeding as the two most costly BLET work rules it was seeking to modify or eliminate. The proposed work rules to the TCU largely mirror provisions that were part of the TCU TA, and thus were discussed prior to February 9, 2024, but that TA failed ratification and, after that failure, the TCU opted not to agree voluntarily to work rules concessions and no longer sought to obtain the quid pro quos for those concessions that were part of the failed TA. Even the Carrier recognized to some degree the difficulty of obtaining those concessions in this round of bargaining when it offered the TCU a choice of either the "platform" agreement which contained no work rules changes or, in the alternative, its July 23, 2025 proposal that would have incorporated substantial changes in exchange for additional compensation. Again, any discussion of those work rules, to the extent that they took place, were in the negotiations that preceded the entry into the rejected TCU TA. None of the information or discussions concerning those work rules was shared with us in this proceeding and we lack any information that would lead us to recommend their adoption.

Many of the reasons identified in PEB 242 for rejecting Amtrak's work rules proposals apply as well in this case and support a Recommendation devoid of work rules changes. As noted in that matter by that Board:

> There are a variety of reasons why the Board cannot recommend adoption of any of Amtrak's Work Rules proposals.
>
> Some of the reasons we cannot recommend adoption of these proposals are common to all of the requested Work Rules changes. In that regard, we note the following.
>
> . . .
>
> Second, none of the proposals were shown to have been the subject of intensive bargaining with the affected Organizations and were not even the subject of specific, detailed proposals until the cooling off period – almost eight years after the expiration of the last Agreement and the provision of Section 6 notices. The subject matter of these Work Rules is far too complex for major changes to be implemented without first being subject to the crucible of good faith bargaining which often yields a workable, balanced framework for addressing proven problems in a proportionate, measured fashion, taking into account appropriate tradeoffs and quid

> pro quos that often times accompany agreements to modify work rules.
>
> Third, many of the work rules proposals go to core craft and class job security concerns. A significant showing of propriety and need would have to be made prior to our recommending that these longstanding principles be eliminated. Moreover, the result of any abrupt abandonment of these work assignment and job security principles would likely include significant instability and, at least in the short run, would create far more productivity problems than would be solved.
>
> Fourth, no proof of compelling operational need for any of these proposed work rules changes was demonstrated. There was no showing that any problems have changed in frequency or severity in recent years or that the proper use of the existing work rules cannot achieve most of the results that the Carrier claims to seek by the proposed work rules changes.
>
> Fifth, to the extent that any recommendation ought to reflect a mutually acceptable basis for agreement, since the recommendations of this Board should mirror results that would be achieved through good faith, arms length, collective bargaining, there is virtually no chance that the comprehensive changes to existing work rules and assignment and pay practices sought by Amtrak would be agreed to by the Organizations, particularly in the absence of countervailing substantial concessions by Amtrak. None of these proposed changes standing alone and in their present form appears to be something that would likely be agreed to or could be ratified. Together, there is virtually no chance of such agreement or ratification.
>
> Any one of these concerns may well have led us to recommend against adoption of Amtrak's proposed Work Rules changes. Together, they require that we recommend against adoption of these proposed Work Rules changes.

PEB 242 at 56-58.

Even now, based upon the formal proposals exchanged in this round, we are uncertain as to precisely which (if any) of the various work rules items the Carrier may be urging this Board to recommend. Despite the fact that a number of these changes were negotiated and implemented at MNCR, the record in this case reveals a lack of appropriate pursuit and discussion in negotiations and a failure to have established in the record before the Board proof as to the propriety of recommending adoption of these rules or proof of compelling operational need to adopt those rules. We believe it highly unlikely that a voluntary agreement could be reached at this time with the Organizations that included those work rules as a component of the new agreement. Finally, the Board notes that, as a consequence of the fact that the recommended agreement will become amendable as of July 16, 2027, with the moratorium ending three months before that, the Carrier will have another opportunity in relatively short

order to pursue discussion and possible adoption of one or more of its work rules proposals in a more fulsome fashion than was the case in the current round.

For all of these reasons, we decline to recommend any work rules changes, other than the modest Electronic Payroll item, as part of the 2023-27 Agreements in this matter.

VII. CONCLUSION

For the reasons set forth above, the Board recommends that the Carrier and each of the BLET, TCU, BRS, IBEW, and IAM agree to a Memorandum of Understanding that extends the existing Agreement through July 25, 2027, and contains the following additional terms:

1) General Wage Increases of:

3.0%, effective June 16, 2023
3.0%, effective June 16, 2024
3.5%, effective June 16, 2025
4.5%, effective July 16, 2026;

2) a $3,000 lump sum payment, payable promptly following full and final ratification;

3) payment of retroactive back pay to all eligible employees;

4) inclusion of Electronic Payroll language;

5) adoption of an April 16, 2027 moratorium date with respect to the filing of Section 6 notices; and

6) a July 16, 2027 Amendable Date.

In closing, the Board gratefully acknowledges the counsel and professional assistance rendered by John S.F. Gross, Esq. and Andres Yoder, Esq., of the National Mediation Board throughout this process.

Respectfully submitted,

Ira F. Jaffe, Chairman

Sidney S. Moreland, IV, Member

Thomas A. Pontolillo, Member

APPENDIX A—EXECUTIVE ORDER 14349

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Federal Register
Vol. 90, No. 182
Tuesday, September 23, 2025

Presidential Documents

Title 3—

The President

Executive Order 14349 of September 16, 2025

Establishing an Emergency Board To Investigate Disputes Between the Long Island Rail Road Company and Certain of Its Employees Represented by Certain Labor Organizations

Disputes exist between the Long Island Rail Road Company and certain of its employees represented by certain labor organizations. The labor organizations involved in these disputes are the Transportation Communications Union, the Brotherhood of Locomotive Engineers and Trainmen, the Brotherhood of Railroad Signalmen, the International Association of Machinists and Aerospace Workers, and the International Brotherhood of Electrical Workers.

The disputes have not heretofore been adjusted under the provisions of the Railway Labor Act, as amended, 45 U.S.C. 151–188 (RLA).

Parties empowered by the RLA have requested that the President establish an emergency board pursuant to section 9A of the RLA (45 U.S.C. 159a).

Section 9A(c) of the RLA provides that the President, upon such request, shall appoint an emergency board to investigate and report on the disputes.

NOW, THEREFORE, by the authority vested in me as President by the Constitution and the laws of the United States of America, including section 9A of the RLA, it is hereby ordered:

Section 1. *Establishment of Emergency Board (Board).* There is established, effective 12:01 a.m. eastern daylight time on September 18, 2025, a Board composed of a chair and two other members, all of whom shall be appointed by the President to investigate and report on these disputes. No member shall be pecuniarily or otherwise interested in any organization of railroad employees or any carrier. The Board shall perform its functions subject to the availability of funds.

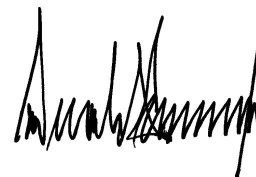
Sec. 2. *Report.* The Board shall report to the President with respect to the disputes within 30 days of its creation.

Sec. 3. *Maintaining Conditions.* As provided by section 9A(c) of the RLA, for 120 days from the date of the creation of the Board, no change in the conditions out of which the disputes arose shall be made by the parties to the controversy, except by agreement of the parties.

Sec. 4. *Records Maintenance.* The records and files of the Board are records of the Office of the President and upon the Board's termination shall be maintained in the physical custody of the National Mediation Board.

Sec. 5. *Expiration.* The Board shall terminate upon the submission of the report provided for in section 2 of this order.

Sec. 6. *Costs of Publication.* The costs for publication of this order shall be borne by the Department of Transportation.



THE WHITE HOUSE,
September 16, 2025.

[FR Doc. 2025–18479
Filed 9–22–25; 11:15 am]
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