

Freight rail strike could cost U.S. economy \$1 billion in the first week

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A freight rail car passes near shipping containers in Wilmington, California. (Photo by AFP)

New York, November 25 (RHC)-- Four U.S. rail unions have set a clear timeline for a nationwide freight strike in a move that could cost the country's economy \$1 billion in the first week of the strike, according

to an economic analysis.

The alignment of the four unions and rail carriers--with a combined membership of close to 60,000 rail workers-- that voted down a five-year contract agreement brokered by the administration of President Joe Biden back in September, have set a joint strike date of December 9 if no agreement is reached by then.

The planned rail strike would impact approximately \$2.8 billion in chemical cargo that is moved weekly, according to an analysis released by the American Chemistry Council. Another analysis from Anderson Economic Group estimated that in the first three days alone, US workers and consumers could see potential losses of a quarter billion dollars.

“Economic impacts caused by a national railroad strike include lost wages for the industry’s workers and production slowdowns due to non-delivery of critical components in some vulnerable industries,” it said.

Those industries could include ethanol, retail, and agriculture. The Retail Industry Leaders Association is calling on policy makers to intervene to “avoid a self-inflicted economic disaster.” “Calculations show a first-day impact of approximately \$60 million, including \$30.9 million for lost freight, \$3.8 million for long-term passenger rail disruption and \$25 million in lost railroad industry wages,” the analysis showed.

Second and third day losses would increase to \$91 billion per day because of lost agricultural goods and food spoilage.

Congress could intervene and use its power to stop a strike or a lockout and to set terms of the agreements between the unions and the carriers. One of the key points of negotiation for labor during this status quo period is asking for 56 hours of sick time based on an executive order for federal contractor benefits.

Eight unions have ratified the deal with the Biden administration, which gave workers a 24% raise over five years, and additional personal day and caps on health care costs. Biden described it a win for all sides and the US economy. But the workers still had to vote on the contract.

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