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Strike Risk Grows as Trump Cuts Labor Mediators From 143 to Four

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- Dozens of federal mediators laid off after Trump EO
- Agency involved in nearly 2,500 negotiations in 2023

The Trump administration has gutted a small federal agency of nearly all its labor mediators, endangering a key lever for resolving employer-union conflicts and avoiding strikes nationwide.

Only four mediators are left at the Federal Mediation and Conciliation Service, down from 143, according to two people familiar with the situation.

The cuts will have immediate impacts on private and public-sector unions and employers seeking to reach contract agreements or settle disagreements, such as driving up negotiation costs, labor observers and one agency leader said.

FMCS is a small labor agency that has played an out-sized role in some of the nation's largest workplace negotiations over the last several years, including those at Starbucks Corp., Boeing Co., and Apple Inc.

In total, 15 employees remain at the agency, according to a lawsuit challenging President Donald Trump's executive order that called for the near-elimination of the FMCS, along with six other small agencies and government services. FMCS previously employed a total of 202 workers.

The targeted employees were placed on administrative leave on March 26, with terminations effective by May 10, according to a veteran FMCS mediator who spoke on condition of anonymity because they're among the fired workers.

"Mediators have a real impact on their local communities, economies, and individuals," the mediator told Bloomberg Law. "We never make headlines, nor should we, but it gets people back to work and keeps communities running."

Trump's March 14 order said personnel and activities at FMCS and others should be eliminated to the "maximum extent."

"If you don't have that agency and you don't have the capacity to help and resolve disputes, then chances are that you're going to have more disputes," said Lynn Rhinehart, a former senior counselor to the labor secretary under President Joe Biden.

FMCS didn't respond to requests for comment.

Punching Above its Weight

The mediation service has been crucial in preventing and ending strikes in recent years, according to both management and labor side attorneys. FMCS mediators were on hand during negotiations between the International Association of Machinists and Boeing as well as those between US shipping companies and the East and West coast dockworkers. They also helped facilitate the first contract between unionized retail workers at Apple Inc. last year.

According to an agency fact sheet released in January, FMCS was involved in 2,467 collective bargaining negotiations, 1,265 "high-impact" grievance mediations, and conducted 1,566 training programs in fiscal year 2023.

FMCS was codified under the 1947 Taft-Hartley Act to serve as a neutral mediator mainly for private employers and their workers' unions. It provides a go-between to assist with contracts, strikes, and grievances, along with arbitration services. It also provides training to employers and unions about conflict resolution.

The agency has no rulemaking or enforcement powers, and offers many of its services free of charge.

Jefferson Dedrick, an FMCS commissioner, said in a March 26 LinkedIn post that the agency is placing "nearly all of its staff" on administrative leave pending official layoff notices, adding that FMCS saves the economy over $500 million annually with less than 150 mediators and .0014% of the federal budget.

“I am sad to see such an impactful agency be dismantled,” he wrote.

The impact of the shrunken service has been felt immediately, labor stakeholders said. Starbucks and Workers United engaged with FMCS mediators to help reach a nationwide bargaining framework to negotiate contracts at more than 500 stores nationwide. One of the two mediators was pulled off the bargaining table in late March, according to a person familiar with the negotiations.

Wilma Liebman, former deputy director of FMCS and former chair of the National Labor Relations Board, described the administration’s decision as “baffling.”

“The potential efficiencies it gives the parties in terms of improved labor management relations or ending labor disputes, which can be incredibly costly, far outweighs whatever the piddly amount that this tiny agency costs the public,” she said.

The FMCS was allocated around $53 million from Congress in 2024, and according to agency reports , is in healthy financial condition.

Other Options?

The federal government’s other labor agencies are ill equipped to fill in for FMCS, Rhinehart and Liebman said. The NLRB is barred by federal labor law from assigning workers to conduct mediation services.

Labor Department officials have historically intervened in high stakes negotiations, and did so during the Biden administration. Acting Labor Secretary Julie Su played a pivotal role in talks involving health-care workers at Kaiser Permanente, East Coast dockworkers, and Boeing mechanics.

Questions linger as to whether Trump’s labor secretary, Lori Chavez-DeRemer, will assume a similar role.

Without those intermediaries, employers and unions will likely have to turn to private mediators in the future, driving up the costs of negotiations, said a management-side attorney with a large US law firm who spoke on condition of anonymity.

"All of a sudden, we're going to be confronted with having to hire somebody, where before the federal government did it for free. How many times is a mediator going to realistically be used now?" the attorney said. "I wouldn't be surprised if there are more strikes as a result because you won't have that neutral party in the middle."

The impact will also be felt in the public sector. Federal and state agencies are often contractually required to mediate through FMCS, and the elimination of the service will place nearly-unsurmountable barriers to resolving certain conflicts, said Cathie McQuiston, deputy general counsel of the American Federation of Government Employees.

The coalition of 21 states alleged in their lawsuit that the dissolution of the agency "will place additional financial and logistical burdens" on them.

"Without FMCS assistance in ongoing negotiations, parties will need to use much more costly private arbitrators, or risk strikes or other work stoppages," the complaint said.

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