

BMW NEWS RELEASE

Brotherhood of Maintenance of Way Employes

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**Brotherhood of Maintenance of Way Employes
and Secretary of Labor Enter into
Settlement of 2002 Convention Election Case**

Southfield, MI, August 4, 2004—On Monday, August 2, 2004, the Brotherhood of Maintenance of Way Employes and the Secretary of Labor Elaine Chao agreed to settle a lawsuit filed by the Department of Labor. The suit sought re-run of three of the union's 2002 Grand Lodge elections. BMW requested mediation of the case. That request was granted, and the resulting mediation session lead to a negotiated settlement.

In reaching the settlement, BMW did not agree that anyone violated the law governing union elections.

The Secretary of Labor and BMW agreed that the contested elections for President and Secretary-Treasurer will be re-run. The re-run of a Canadian Vice President position will be decided later, as Canada Industrial Relations Board proceedings may affect BMW's presence in Canada.

Nominations will be opened. The ballots will be cast by the original electors, the delegates to BMW's 2002 Convention, their alternates, or if both positions are vacant, new Local Lodge delegates. The delegates will cast their votes by mail.

"BMW will soon enter into contract negotiations with the majority of the nation's railroads. Permitting a re-run vote is a quick and inexpensive way to resolve the lawsuit.

"This way, when BMW sits down to bargain with the railroads, they will face the winner of the re-run election. The carriers will know that they will have to deal seriously with a President who will come to the table with a fresh mandate from the membership," said Acting President Freddie Simpson.

The Brotherhood of Maintenance of Way Employes represents approximately 46,000 rail workers that build and maintain the track, bridges and buildings on the railroads in the United States and Canada.

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