



A Call to Arms For All of Rail Labor

For two years, the railroads have made no reasonable effort to reach an agreement on health benefits. From the onset of bargaining, the railroads took the position that every union-represented railroad employee was overpaid and had too much health and welfare benefits. The railroads contend that the only way for them to continually produce profits for their shareholders was through slashing your healthcare benefits and giving you paltry wage increases, coupled with the ability to contract out scope covered maintenance of way work. Meanwhile, railroad net income almost doubled from \$6.9 billion in 2006-10 to \$12.2 billion in 2011-15.

Early on, the BMWED-SMART Mechanical coalition presented the railroads with a cost-saving measure for health insurance that should have taken the subject off the bargaining table. The measure doesn't cost a single railroad employee a cent more for their current health care benefits and it doesn't cost the railroads a cent more either. The Unions' proposal provides the same savings that the drastic benefit cuts of the last contract provided to the carriers. This time, the insurance vendors of the Plan are the ones who will contribute the savings, not the railroad employees.

After several months of slow-walking the negotiation, the railroads confirmed our findings. They agreed the proposal would save them money without costing employees a cent more.

Then, they said they weren't interested. They said slashing your benefits is the only way forward to reach a "voluntary agreement." The other rail bargaining coalitions have had the same experience at the bargaining table; slashing and gouging is the only path forward for an agreement.

We offered solutions, but the railroads refused any path but their own.

After the Presidential election, the railroads terminated negotiations with each of the Coordinated Bargaining Group¹ and BMWED-SMART Mechanical coalitions, and requested mediation.

In his December 26, 2016 press release, BLET President Dennis Pierce made it clear that right now is the time to fight, and made a call to arms to BLET members to join him in this fight for a fair and reasonable National Agreement. We agree that the time to fight for our livelihood is now. We recognize that the best way to advance the causes of rail labor is through a strong united front. The BMWED stands in solidarity with President Pierce and our BLET union brothers and sisters. We're prepared to fight alongside you, including, on the picket line, to maintain our work rules and health and welfare benefits, and to get the pay increases that railroaders deserve.

To this end, I urge all of rail labor to stand united. We deserve to be heard. Let's make it clear and certain to the railroads that their attack on any single railroader's standard of living and dignity is an attack on every single railroader, and will be met with united resistance.

¹ The Coordinated Bargaining Group consists of the American Train Dispatchers Association; the Brotherhood of Locomotive Engineers and Trainmen; the Brotherhood of Railroad Signalmen; the International Brotherhood of Boilermakers; the National Conference of Firemen and Oilers; and SMART Transportation



Brotherhood of Locomotive Engineers and Trainmen

A Division of the Rail Conference of the International Brotherhood of Teamsters

A call to arms: Join me in our National Contract fight

By Dennis R. Pierce
BLET National President

(BLET Editor's Note: The following message from BLET National President Dennis R. Pierce has been excerpted from the November 2016 issue of the Locomotive Engineers and Trainmen News.)

INDEPENDENCE, Ohio, December 26 — In the days leading up to this month's Newsletter going to print, a major development occurred in our National Negotiations with the nation's freight carriers. As most of you are aware, on Monday, December 5, 2016, the Unions making up the Coordinated Bargaining Group served notice on the National Mediation Board requesting that they mediate our contract dispute with the freight carriers. It is important that all BLET members understand what has happened with our negotiations to get us to this point, as well as what will happen now that mediation has been invoked, and my message will key on both of those issues. It also is imperative that all BLET members understand the terms and conditions of the Railway Labor Act (RLA) that govern our actions in contract negotiations and this month's Newsletter also includes an explanation of the relevant portions of the RLA (see page 4).

For almost two years, the rail unions in our bargaining group, as well as all other rail unions, have been at the table making every effort to reach an agreement with the freight carriers that would respect the contributions that you make to the carrier's bottom line. We all know that those profits would not be possible without the hard work of the union-represented employees of the nation's freight carriers. When the bargaining round began railroad traffic was good, but that changed within a year of our negotiations starting. Not only did the nation's Class I carriers begin to furlough operating employees as a result of a downturn in business, they began to close shops, mothball low density rail lines and, in some cases, they even spun off portions of their properties to shortline carriers through leases and line sales. Many of these same carriers also served notices to change their operations, and in many cases long standing terminals lost their jobs and those employees were forced to relocate.

I am not sharing any new information with BLET's membership; you have lived through the furloughs and operational changes that your employers have forced upon you. What is important to note in all of this is that history shows us the nation's railroads will find a way to get back to higher profits, and their actions so far make it more than clear that they intend to do that on the backs of their union-represented employees.

Our contract negotiations are no different. In the two years that we have been at the bargaining table, the carriers have never made a contract offer to any of the unions that we found acceptable. Not only were their offers unacceptable to the unions' bargaining teams, it is clear to me that they also would have been unacceptable to the membership. The level of concessions that were demanded on our Health and Welfare benefits were way beyond anything any of the rail unions had seen in decades. And to add insult to injury, the General Wage Increases they offered were so low that in some cases they would not even have been enough to offset the additional Health and Welfare costs. When business declined the carriers' offers went from bad to worse, and totally unacceptable demands were made to change our work rules in ways that would have our

membership doing more work for less money. We have been crystal clear with the carriers that you would never accept or ratify their demands.

It is important for all BLET members to understand not only what has happened to date, but why it happened. The carriers' unwillingness to treat us fairly was not because of any failure of the participating rail unions to put forward reasonable settlement proposals that reflected what our membership expects. Quite to the contrary, we made it clear that improvements in our Health and Welfare plan and fair wage increases is what our members not only wanted, it is what they have earned. We also argued for improvements to our work rules, including real improvements to mitigate fatigue, and a national agreement to once and for all put an end to the carriers' outrageous attendance policies.

Whether you are an Independent, a Republican, or a Democrat, it should be clear to all involved that the carriers delayed reaching a settlement until they knew the results of the November Presidential election. One of the weaknesses of the bargaining terms and conditions of the RLA is that either side can delay settlement, as the Carriers did throughout 2015 and 2016. We sought a fair agreement for that entire period; it was clear early on that the Carriers intended to delay until now.

In the weeks preceding the election, our meetings with the carriers showed some potential of a reasonable settlement, but that was when the polls favored Secretary Clinton. Early on November 9th it became clear that Mr. Trump had been elected, and before I share how that impacted our negotiations, I think it is important for us all to recognize what happened within our union on election day.

In the year preceding the election, I spent many weeks on the road meeting with member groups. I attended Division meetings, General Committee meetings and State Legislative Board meetings, as well as our regional meetings. I interacted with several hundreds of BLET members, and asked them all to share with me their feelings and opinions on how their employer was treating them, as well as how the outcome of the November elections might impact that. Well before the election, it was clear to me that many of BLET's members were outraged by the way that their employers were treating them, and they were equally outraged that our union has been unable to stop that treatment. Whether it be the carriers' excessive disciplinary policies, including heavy handed attendance policies, or the complete disregard for lineups and the resulting impact on our quality of life, BLET's members are tired of the way things are. Adding to that frustration is the fact that under the governing provisions of the RLA, most if not all of the grievances that frustrate our membership are deemed to be minor disputes that can only be addressed through arbitration. Without belaboring the point, there is a growing feeling that the arbitration provisions of the RLA have failed rail labor on many fronts, and the end result is a disenchanting membership who wants things to change.

It also became clear to me earlier in the year that many BLET members, and many other unionized rail employees, felt so disenfranchised that they were willing to give Mr. Trump a chance. The message that Trump put out during the campaign was attractive to many working and middle class Americans. Many of these Americans feel that the system has left them behind for any number of reasons, and the promises that Trump made led them to believe that he would improve the working class's lot in life. Although this is not based upon hard data, it is safe to conclude that a significant portion of BLET's membership — perhaps over half — voted for Mr. Trump, and in some locations it was much higher. I fully understand this vote of frustration, as I too am completely frustrated with the nation's railroads and their treatment of our membership. In the end, many of BLET's members who voted for Mr. Trump now feel that they won; they are certain that they will be treated better in the workplace, including the terms of their upcoming contract.

The part that may be lost on many of our members, however, is that the railroads also were frustrated. They were frustrated by President Obama's administration, especially when it came to

new legislation and regulations. Be it PTC, crew size, or any of the improvements to our workplace found in the regulations that implemented the Rail Safety Improvement Act of 2008, the carriers have fought tooth and nail to block all new forms of government safety oversight and accountability. When Mr. Trump was elected, much like many of the BLET's members, the carriers feel that they won; they are certain that they will not have to treat you better in the workplace, and that includes any obligation to give you a fair contract. That is where things stand now — a classic stalemate that prevents the parties from reaching a fair contract settlement.

At our first meeting after the election, your negotiating team made it clear to the nation's freight carriers that an unprecedented number of their employees had voted for Trump because they felt that he would stop the railroads from abusing them. We made it clear that, for many of our members, expectations were higher after the election than before, making it even harder to ratify anything less than a fair contract offer. Regardless of who you personally voted for, you should know that our comments fell on deaf ears. It is clear that the CEOs of the nation's freight carriers feel that they have little to lose by exhausting the provisions of the RLA with President-Elect Trump in office to appoint what they expect to be a management friendly Presidential Emergency Board (PEB) sometime next year.

As a result of all of this, and as I write this piece, nearly all of the involved rail unions are now in mediation with the National Mediation Board managing that process. The RLA requires that the parties attempt to mediate their contract differences before either side can exercise "self-help." Self-help to the carriers includes a lock out and/or the right to impose changes in rates of pay, rules and working conditions. On the union side, self-help includes the right to strike. But before either of those options is available to either side, the parties must attempt to reach a settlement mediated by the National Mediation Board. The current makeup of the three appointed members of the NMB is two Democrats and one Republican. That will almost certainly change before our dispute is resolved, so it is hard to know how long the parties will remain in mediation. In one worst case scenario, most of Rail Labor was held in mediation for up to nearly eight (8) years in a previous contract dispute with Amtrak. It is also noteworthy that the NMB ultimately answers to the President, and he will have input on the process and its timeline. It is clear to us that the carriers want to expedite the mediation process in the hope that they will get this dispute to a management-friendly PEB in short order.

As for our efforts, your negotiating team has heard loud and clear that our membership will not voluntarily accept a less than fair contract offer that diminishes our health care plan, adversely changes work rules, and provides less than acceptable wage increases. Not now, especially when the expectations of our membership have exponentially increased day after day. Despite our best efforts, the carriers continue to require our members to manage and operate new and unproven technologies under threat of discipline. They give no regard to our increased productivity; instead they only push for more without offering any recognition for the past 30 years of crew size reductions resulting in fewer employees doing more work.

The carriers refuse to provide meaningful predictability on when we are expected to work, but continue to administer oppressive attendance policies that not only prevent our members from taking time off when they are fatigued; they also prevent our members from being home for family birthdays, holidays, graduations and even funerals.

In the end, unless the National Mediation Board can convince the carriers to reach a fair settlement, we will arrive at the point where the Board will be required to proffer arbitration as a way to resolve the dispute. Accepting such a proffer would terminate our rights to self-help, and would place our dispute in the hands of someone not affected by the outcome.

Our Bylaws were changed in 1986 to require that your National President cannot accept such a proffer without first obtaining rank and file ratification. No BLE International or BLET National

President has ever put that question to a vote in national freight negotiations since then, as it is obvious that our membership will not give up its right to strike in return for arbitration. The right to strike is your ultimate right to economic strength and, absent some dramatic change that I don't see on the horizon, I can tell you now that I will reject any proffer of arbitration.

If we can't achieve a fair and equitable contract that is worthy of your consideration through mediation, the prospects for which seem very slim right now, our bargaining dispute will reach a "final" cooling-off period, after which both sides would have the legal right to exercise self-help. I cannot speak for what the carriers will do when they gain that right, but I can assure you that I am convinced that the only leverage that we have is the economic strength of a strike. When we legally reach that point, I fully intend to authorize that strike, and to join the membership on the picket line as we all act in solidarity.

Should that occur, I will be calling on all affected BLET members to join in our efforts as our strength is in our numbers. Having said all this, there is one piece that we must all recognize. Under the RLA, without Congressional involvement, there is only one person who can take away our legal right to exercise our economic strength through striking. That person is the President of the United States of America, and the President exercises his right to do so by appointing a Presidential Emergency Board. When the time comes, I will be personally calling on President-Elect Trump not to interfere in our dispute with the carriers. I also will be asking all of you to do the same.

As I have said in the past, I cannot guarantee the outcome of this dispute, but I can guarantee you that your National Negotiating Team is working for you and we will fight the carriers' attempt to force you under a substandard contract with every ounce of our energy.

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Transportation Communications Union/IAM

International Association of Machinists and Aerospace Workers

Robert A. Scardelletti
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SPECIAL ALERT

NATIONAL NEGOTIATIONS UPDATE DECEMBER 2016

National negotiations between the freight railroads in national negotiations and the TCU Coalition remain stalled, hostage to the carriers' unremitting demands for major concessionary changes to the plan design of GA-23000.

Negotiations began in January of 2015. TCU invoked mediation in October 2015. The parties have met regularly since then under the auspices of the National Mediation Board. No progress has been made.

Each side has exchanged voluminous information, with the carriers emphasizing what they consider to be the high costs of the national health insurance plan relative to other industries, including non-union. The TCU coalition has stressed how much the plan design savings from the last contract have gone to hold down costs, that employees are paying enough now, and that comparing us to non-union industries is a non-starter. The parties also remain far apart on wages. And, at a recent session, the carriers added a host of concessionary work rule demands to their agenda.

The TCU Coalition consists of TCU Carmen and Clerks, IBEW, IAM, and TWU. Two other coalitions are also meeting. One consists of ATDA, BLET, BRS, IBB, NCFO-SEIU, and SMART-Transportation (UTU). The other consists of BMWED and SMART-Mechanical (Sheet Metal). We are in regular contact with both coalitions, and both report no progress. Until now, neither has been in mediation.

The election of President Trump puts the prospect of a Presidential Emergency Board into the distant future. A whole new National Mediation Board will have to be appointed and confirmed, and it is expected that process will take many months. From the beginning, both sides said they prefer a voluntary settlement, but the gap in health care expectations continues to make that problematic. Clearly the carriers feel emboldened by the Republican sweep.

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On the bright side, our last contract provided for a 3% general wage increase on the first day of the new contract (January 1, 2015). And it also provided for a freeze of a \$198 monthly employee contribution for one and a half years past the contract's duration, an unprecedented accomplishment. The contract also provided that, on July 1, 2016, there would be a one-time increase reflecting the employee's 15% cost share at that time. That amount came to \$228.89.

The good news is that the \$228.89 monthly contribution cannot be increased until a new contract is reached. (One of the TCU Coalition's demands is that the amount remains frozen in the upcoming contract as well.)

If there were no freeze, employees would begin paying on January 1, 2017, 15% of the increased health insurance costs, which have been determined to be \$261.37 a month. The freeze will save every member \$32.48 a month during 2017. If no contract is reached in 2017, the freeze will remain in place, but the cost of the plan will again go up, all of which will be borne by the carriers.

To give you an idea of the overall cost of the plan, the carrier monthly medical premium per employee increased to \$1657.42; the monthly dental premium to \$64.57; the monthly life insurance premium to \$12.30; and the monthly vision to \$8.16. The total monthly employer premium comes to \$1742.45, or \$20,909.40 a year.

The parties will be conferring in January to set up a next meeting date, which will be the first since the presidential and congressional elections. We will keep you apprised as negotiations proceed.

“The carrier's insistence on sweeping changes to our insurance is proving a tremendous obstacle to reaching an agreement,” says National President Robert Scardelletti. “We are very proud of the excellent insurance benefits we have negotiated for our members, and we will vigorously oppose their demands to radically weaken it. No one likes delay, but we will not agree to concessions just to get an agreement.”