



Brotherhood of Maintenance of Way Employees Division of the International Brotherhood of Teamsters

Freddie N. Simpson
President

Perry K. Geller, Sr.
Secretary-Treasurer

BARGAINING UPDATE

To: General Chairmen
From: Don Griffin
Date: March 10, 2005

The Rail Labor Bargaining Coalition (RLBC) held its second meeting with the National Carriers' Conference Committee (NCCC) on Wednesday, March 9, 2005.

The negotiations began with Roland Wilder, counsel for the RLBC, presenting a copy of the enclosed "National Bargaining Ground Rules" to Bob Allen, the NCCC's chief spokesperson. Mr. Wilder explained the purpose of each of the paragraphs within the proposal and the parties recessed while the NCCC considered our proposal. The general purposes of these rules are the establishment of regular meeting dates, meeting agendas agreed to in advance and the sharing of information relevant to the issues under discussion.

After a short break, the NCCC responded by rejecting categorically all of our proposed ground rules. According to Mr. Allen, the proposed ground rules were "silly" and the carriers were not interested in establishing any ground rules for the conduct of bargaining. In essence, the carriers' position was that unless the RLBC was willing to meet at the carriers' convenience, discuss only matters the carriers wanted to discuss and be provided only information the carriers thought was necessary for bargaining, there was no point in meeting. The RLBC found no good reason to continue the meeting in light of the carriers' utter refusal to discuss any type of ground rules to govern the negotiations.

10 G Street, N.E., Suite 460
Washington, DC 20002
Telephone 202.638.2135 Facsimile 202.737.3085
www.bmwe.org



The meeting lasted less than one hour. No future meetings have been scheduled.

While the carriers claimed they were prepared to bargain substantively over undisclosed issues, the skeleton group at the table belied such a claim. First, some of the NCCC staff usually present at these meetings were absent. Second, the Union Pacific's Vice President-Labor Relations was absent. Third, none of the carriers had more than a single representative present. Clearly the carriers anticipated the RLBC proposal and already had decided to reject it outright.

The RLBC is committed to continuing negotiations with the carriers, but it is committed also to bargaining under a set of rules that will permit informed and knowledgeable bargaining. Clearly the carriers want to resist that type of bargaining.

Please call me if you have any questions.

enclosure

cc: Vice Presidents
P. K. Geller
F. N. Simpson
S. Powers
B. Bon
W. Hildenbrand
R. Inclima

NATIONAL BARGAINING GROUND RULES

The National Carriers' Conference Committee ("NCCC") and the Rail Labor Bargaining Coalition ("RLBC") agree that the following ground rules shall apply to their negotiations regarding Section 6 notices served by the organizations on the carriers represented by NCCC and by the carriers on the organizations represented by RLBC to be effective no earlier than January 1, 2005:

1. In these negotiations, the NCCC represents the carriers identified on Exhibit A hereto, each of whom has authorized the NCCC to act on its behalf in this bargaining round. Carriers may be added to this list during bargaining in accordance with the internal procedures of the NCCC.

2. In these negotiations, the RLBC represents the labor organizations that are identified on Exhibit B hereto, each of whom has authorized the RLBC to act on its behalf in this bargaining round. Organizations may be added to this list during bargaining in accordance with the internal procedures of the RLBC.

3. NCCC and RLBC shall determine who shall participate directly on their respective bargaining teams and attend bargaining sessions. Spokespersons may be designated generally or on particular subjects that are addressed in the bargaining. Each party may also designate appropriate individuals to participate on its behalf for the purpose of contributing expertise to the discussions. The parties will notify one another when such experts are to attend, at least seven (7) calendar days in advance of the bargaining session.

4. The parties will attempt to schedule in advance bargaining sessions for each calendar quarter. Additional bargaining sessions as warranted may be arranged by

mutual consent. Unless the parties agree otherwise, bargaining sessions will begin at 1:00 p.m. on the first day of each session and at 10:00 a.m. on each subsequent day of the session.

5. The parties will attempt to align related common and craft-specific issues, so that suitable representatives will be available to take part in all negotiations according to one or more formats agreed to by the parties.

6. Bargaining sessions will be held at locations mutually agreed between the parties. When rooms for bargaining are rented, (a) there shall be at least two rooms rented: one for bargaining and at least one for separate caucuses, and (b) the cost of such rentals and related expenses (i.e., beverages, easels, etc.) shall be shared equally by the parties.

7. The parties agree to provide to each other all requested information unless good cause exists not to provide such information. The reason for any non-disclosure shall be discussed by the parties. "Good cause" shall be determined by balancing the relevance and necessity of having the requested information available for bargaining and the competitive interests adversely affected by its limited disclosure. Each and every participant in negotiations shall execute a confidentiality agreement, which establishes a commitment of non-disclosure regarding any information shared by the parties.

8. Discussions between the parties will not be used by either party in any dispute that is concerned with the meaning or position taken by the other side regarding existing rates of pay, rules or working conditions **in effect as of the date of these negotiations**, including disputes that are or may be subject to grievance arbitration or litigation of any kind. The parties agree that all written and oral communications

between the parties, including discussions over this procedural agreement, will be without prejudice to any party's position regarding its rights under the Railway Labor Act or existing agreements.

9. Contract wording will be finalized at the bargaining table before a tentative agreement occurs.

10. Agreement(s) resulting from these negotiations are subject to ratification by the RLBC's affiliates in accordance with their respective internal procedures. No agreement will be considered ratified until it has been ratified by the Coalition's affiliates in accordance with the National Bargaining Coalition Agreement. Within ten (10) days of receipt of notification by the RLBC that its affiliates have obtained the approval of their memberships, RLBC will notify NCCC that it deems the agreement ratified. The tentative agreement shall then be incorporated into a final agreement that shall be executed by each affiliate and the carriers. If the membership of one or more RLBC affiliates rejects a tentative agreement, the RLBC shall promptly notify the NCCC.

11. No organization identified on Exhibit B shall conclude a separate agreement with the NCCC or with any carrier identified on Exhibit A resolving the Section 6 notices served by the RLBC or the NCCC without the express written consent of the RLBC and the NCCC. Similarly, no carrier identified on Exhibit A shall conclude a separate agreement with RLBC or any organization identified on Exhibit B resolving the Section 6 notices served by the RLBC or the NCCC without the express written consent of the RLBC and the NCCC.

Signed this _____ day of March, 2005 in Washington, D.C.

Exhibit A

EXHIBIT B

American Train Dispatchers Association (for Health and Welfare only)

Brotherhood of Locomotive Engineers & Trainmen, a Division of the Rail Conference,
International Brotherhood of Teamsters

Brotherhood of Maintenance of Way Employes, a Division of the Rail Conference,
International Brotherhood of Teamsters

Brotherhood of Railroad Signalmen

International Brotherhood of Boilermakers, Blacksmiths, Iron Ship Builders, Forgers and
Helpers

National Conference of Firemen & Oilers — SEIU

Sheet Metal Workers International Association