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**NEWS CLIPS**

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## Still Confused? A Refresher on the Basics of the Health Debate

By *DAVID M. HERSZENHORN*

Charles Dharapak/The Associated Press

It may feel endless, but the health care debate in many ways is just getting started – the various bills are nearly ready, and full debate in the House and Senate lies just ahead. And yet, according to the latest New York Times/CBS News Poll, 6 out of 10 people in the United States are confused about the plans to overhaul the health system.

Nearly half say they don't know enough about the plans to have an opinion. And one-third can't fathom a guess as to whether, if the proposed changes are adopted, the system would be better or worse in the years ahead.

So here's a quick refresher of some of the basic parameters in the health care debate. Please pay attention, there will be a quiz – another poll – and if 59 percent of you are still confused, somebody ought to get fired. Maybe me.

Let's start with **two overarching issues**: About 46 million people in the United States do not have health insurance. And health care costs – doctor visits, medicine, hospital care, lab tests, etc. – are rising way too fast. The proposals by President Obama and Congress try to tackle both problems.

### First: The Insurance

To cover the uninsured, the government would do two main things:

- **Increase the number of people on Medicaid, the federal-state insurance program for the lowest-income Americans.**
- **Give subsidies to help moderate-income people buy insurance.**

To make sure insurance is obtainable, there would be new rules, such as barring insurers from denying coverage based on pre-existing medical conditions.

With a few exceptions, the majority of Americans who already have insurance through an employer – about 160 million people – would have to stay with that coverage.

And starting in 2013, nearly everybody would be required to obtain health coverage, or pay a penalty for not doing so. The logic is the same as in requiring auto insurance: anyone without coverage poses a risk of high costs for everyone else. But the proposed “mandate” is also a political flashpoint:

Americans tend not to like being told what to do by their government, and Republicans are attacking the penalty as a “tax.”

In any event, without government action, the Congressional Budget Office estimates that the number of uninsured people would rise to 54 million by 2019.

Under the Senate Finance Committee bill, the number of uninsured would be cut by 29 million. About 11 million people would be covered by Medicaid, and the other 18 million would buy policies through new **government-regulated marketplaces, or exchanges.**

At that point, according to the nonpartisan Congressional Budget Office, 94 percent of Americans would have health insurance, up from about 83 percent today.

But there would still be 25 million people without coverage. About 8.3 million of them would be illegal immigrants.

There has been much debate over the idea of a **government-run insurance plan, or public option**, to compete with private insurers. The Senate Finance Committee on Tuesday voted down two such proposals, but the other four Congressional committees working on health care legislation have included a public option in their bills.

While there are differences between those plans, there are some basic common points. The public plan, if created, would only be offered to people buying policies in the new exchanges. It might be cheaper than private plans, but it would not be free.

The majority of people already on Medicaid or who have employer-sponsored insurance could not drop it in favor of a new public plan. So, for all the uproar, the public plan would not be available to most people, at least initially.

The fight is really about what it might mean in the future. Because it would not have to earn profits or pay private-sector salaries, Republicans say the public plan would have an unfair advantage and ultimately drive private insurers out of business.

Democrats say the competition would make private insurers more efficient and pressure them to offer better coverage at lower prices.

## Second: Paying for It

Central to understanding the debate — and deciding whether you are for or against whatever plan emerges from Congress — is the question of whether it will be affordable. And that means **affordable on two levels:**

- **For taxpayers and the government**
- **For individuals and families**

Health coverage is expensive, now averaging more than \$13,000 a year per family for the kind of group coverage that would be available under the proposed legislation. And **health care costs generally are rising much faster than regular inflation.** In other words, the amount of money we earn and the taxes we pay have not kept up.

The Congressional Budget Office estimates that adding 11 million people to Medicaid would cost about \$287 billion over 10 years. And the subsidies to help people buy insurance could cost another \$500 billion or more.

So the new coverage will cost roughly \$80 billion a year to insure 29 million people. For context, consider that the government spends more than \$600 billion a year on defense, and about \$500 billion a year on Medicare for about 44 million Americans, mostly over age 65.

**Medicare, by the way, is going broke.** Incoming taxes no longer exceed expenses. Estimates are that by 2019, its hospital insurance trust fund will be exhausted.

To help offset the cost of a health care overhaul, Mr. Obama and Congress want to reduce the growth of Medicare spending — not by cutting services but by pressuring providers like doctors and hospitals to offer the high-quality, cost-effective care found in parts of the country that stretch their Medicare dollars the furthest.

A proposed new tax on the most expensive health plans would also help control medical costs, by limiting the incentive for corporations to give employees tax-free health benefits instead of cash raises. That would raise more than \$200 billion, the budget office says.

But even if the government can afford the plan, and even if it would help ease budget deficits down the line, there is a separate question: **Will individuals and families be able to afford insurance?** That will depend on what

premiums cost in years ahead, and the level of subsidies to be offered by the government.

The Congressional Budget Office's preliminary analysis of the Senate Finance Committee's bill found that after subsidies, premiums and out-of-pocket costs could run from 8 to 18 percent of income for individuals, and from 10 to 20 percent of income for families.

Many experts say that is too high, and Senate Democrats have already taken steps to reduce those numbers.

But in deciding whether the health overhaul is a good idea, the question of affordability is a crucial one to keep in mind.

## **The Billion-Dollar Questions**

If there is one thing that Democrats and Republicans agree on these days it is the complexity of the health care issue. Many lawmakers say this is the most far-reaching legislation they have ever worked on, potentially reshaping an industry that accounts for one-sixth of the American economy, and with serious implications for every single American citizen.

Less confused, but still trying to make up your mind? Here are some other questions to consider.

- **Is expanding Medicaid the best way to cover the lowest-income Americans?** Democrats note that it's an easy way, because the system already exists, and it is relatively cheap. But Republicans say Medicaid has a stigma and that it pays providers such low rates that doctors increasingly refuse to accept it.
- **What's a bigger risk: That the proposed reductions to slow Medicare spending are more likely to lead to cuts in services than increased efficiency?** Or that political stalemate will force more drastic changes to Medicare when the trust fund is finally exhausted, as projected in 2019?
- **Is maintaining the current system of mostly employer-sponsored health insurance a common-sense solution, or a bandage on a fractured leg?** Some liberals still argue that a single-payer system, like the kind in Canada, England or Spain, is a better way to go. Some conservatives contend that the government is already too involved in health care, and the existing system should be replaced by one in which everybody buys their own coverage.
- **Is it reasonable for the government to require nearly all Americans to obtain health insurance?** Or is it an intrusion by the government into private affairs? Is a proposed penalty on those who fail to obtain insurance a reasonable step or is the penalty an unjustifiable tax?
- **Is it reasonable to think that the overall growth in health care costs can be slowed as a result of the bill?** Or are Americans destined – absent strict price controls not included in the legislation – to spend as much money as they possibly can on the thing they value most: their health?
- **Given the partisan acrimony that prevails in Washington regardless of which party is in charge, is some form of health legislation better than nothing, especially since the**

**costs of inaction are clear?** Or, given the partisan acrimony that prevails in Washington regardless of which party is in charge, is nothing better than something that may cost a lot but might not work?

## Oak Brook Librarians Turn to Teamsters

### Village life gets tough

**By STEVE RHODES**

**Updated 2:47 PM CDT, Fri, Oct 2, 2009**

Even librarians need a little muscle sometimes.

So the head librarian of Oak Brook's public library - along with its children's librarian and a few others - has turned to the Teamsters for help in keeping their jobs.

Jimmy Hoffa is turning over in his grave and chuckling.

The librarians aren't talking, natch.

But everyone else is.

"We get good contracts for all kinds of professionals," Executive Director of Teamsters Joint Council 25 Brian Rainville told the *Daily Herald*.

The paper notes that Joint Council 25 represents 100,000 Chicago-area Teamsters "from pharmacists to zoo keepers."

The village says it's ready to negotiate, but likely through gritted teeth.

"They have given us petitions," Village Manager David Niemeyer told the paper. "Assuming they do become certified, we'll have to negotiate with them."

On the other hand, the village is already playing hardball.

"Don't cry crocodile tears about people who are making \$100,000 a year wiping tables and putting books back on the shelves," anti-library activist Constantine Xinos told the *DH* - after ripping an 11-year-old at a village board meeting.

Hey Constantine, the Teamsters wanna know what size shoes you wear. No reason. Just sayin'

## **New numbers show sharp drop in train accidents**

October 5, 2009

The Federal Railroad Administration's Office of Safety Analysis released new statistics this week showing across-the-board improvement in U.S. railroad safety.

The new figures show that in this year's first seven months, train accidents were down 30.9% from the corresponding period in 2008 to 1,041; collisions dropped 31.8% to 73; derailments were off 32.8% to 738; and yard accidents declined 34.3% to 541.

Track causes were blamed for 344 train accidents, down 33.7%; signal causes for 28, down 3.4%; and human factors for 349, down 34.2%.

Highway-rail grade crossing accidents and trespassing incidents caused most of the 404 fatalities in this year's January-July period, a total that was down 20.2% from last year. There were 139 crossing fatalities this year, down 13.1%, and 248 trespassing fatalities, down 6.6%.

The 718 large and small railroads included in the FRA survey reported 12 employee fatalities this year compared with 14 in the same period last year.

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## **Obama nominates Anthony Coscia to Amtrak board**

October 6, 2009

President Barack Obama nominated a top official at the Port Authority of New York and New Jersey to serve on Amtrak's board of directors. Anthony Coscia has been chairman of the Port Authority's board of commissioners since April 2003.

The White House said in a statement that Coscia oversees the Port Authority's various transportation businesses and \$6.7 billion annual budget. He also leads the PA's new mass transit rail programs.

A former chairman of the New Jersey Economic Development Authority, Coscia is also an attorney in private practice and a 1984 graduate of Rutgers Law School.

The Senate must confirm the appointment.

10/8/2009 Government Oversight

### **STB to hear arguments for major cases in public forum**

Arguments in some [Surface Transportation Board \(STB\)](#) cases now will be made before the public. Yesterday, STB Chairman Daniel Elliott III announced the board will begin to hold public oral arguments.

The public forum will enable parties to directly address the board and provide STB commissioners an opportunity to ask questions before making a decision. The format will be similar to oral arguments held in federal appellate courts, according to the STB. However, only counsel representing the parties will be allowed to argue a case.

"This is another way to demystify the process," said Elliott in a prepared statement.

Elliott, who's made bringing additional openness and transparency to STB decision-making processes a high priority, plans to review other board policies and procedures to ensure they're as "inclusive and open" as possible.

The first scheduled oral argument will be held Oct. 27 in Washington, D.C., regarding a rate case — Entergy Arkansas Inc. and Entergy Services Inc. vs. Union Pacific Railroad and Missouri & Northern Arkansas Railroad Co. Inc. — as well as DesertXpress Enterprises L.L.C's petition for a declaratory order.

The STB also scheduled oral arguments for Nov. 23, but a list of cases hasn't been finalized.



# Health-Care Bill Wouldn't Raise Deficit, Report Says

Budget Office Assesses Finance Panel's Plan

By Lori Montgomery and Shailagh Murray  
Washington Post Staff Writers  
Thursday, October 8, 2009

Congressional budget analysts gave an important political boost Wednesday to a Senate panel's health-care overhaul, projecting that the \$829 billion measure would dramatically shrink the ranks of the uninsured and keep President Obama's pledge that doing so would not add "one dime" to federal budget deficits.

With the report from the nonpartisan Congressional Budget Office, the measure crafted by the Senate Finance Committee has emerged as the only one of five bills by various panels that achieves every important goal Obama has set for his top domestic initiative.

White House budget director Peter Orszag applauded the analysis, saying the bill "demonstrates that we can expand coverage and improve quality while being fiscally responsible," and [Senate Majority Leader Harry M. Reid](#) (D-Nev.) called the CBO report "another important step down the road toward enacting comprehensive health insurance reform." But senior Republicans seemed only to harden in their opposition to the measure.

The Finance Committee could vote as soon as Friday on the bill. Passage by the Democrat-dominated panel is virtually assured, but Democrats are eager to win the vote of [Sen. Olympia J. Snowe](#) (Maine), the only Republican on the committee who has expressed any support for the measure.

Snowe said Wednesday that she was relieved to see that the cost of expanding coverage remained below Obama's limit of \$900 billion over the next decade. "But we have a lot to review," she said.

She urged Chairman [Max Baucus](#) (D-Mont.) to wait until next week for a final vote. "It's a critical vote. . . . I would rather have the comfort level of having had sufficient time to analyze it."

Other Republicans pored over the 27-page report in a late-afternoon huddle, then emerged with the warning that the finance panel's measure would impose a stiff price on people who already have health insurance. [Sen. Charles E. Grassley](#) (Iowa), the ranking Republican on the committee, said he is worried that insurers and other health-care companies would pass on the cost of new fees and taxes to consumers. And he said the bill's expansion of Medicaid would leave a new set of "unfunded mandates" for states already struggling with record budget deficits.

"There's a lot of things in there to be concerned about," Grassley said.

Reid said he hopes to combine the bill with a competing measure approved by the Senate health committee and present the result to the full Senate later this month. He will begin to convene small meetings in his office next week with Baucus, [Sen. Christopher J. Dodd](#) (D-Conn.) and senior White House officials, including Orszag, Chief of Staff Rahm Emanuel and senior health adviser Nancy-Ann DeParle.

[Senate Minority Leader Mitch McConnell](#) (R-Ky.) said the legislation is likely to become more problematic as Reid works "in a closed-to-the-public conference room, somewhere in the Capitol" to add provisions aimed at winning the 60 votes needed to avert a GOP filibuster. "The real bill will be another 1,000-page, trillion-dollar experiment," McConnell said in a statement, "that slashes a half-trillion dollars from seniors' Medicare, raises taxes on American families by \$400 billion, increases health care premiums, and vastly expands the role of the federal government in the personal health-care decisions of every American."

According to the CBO, Congress's official arbiter of the cost of legislation, the Finance Committee measure would expand coverage to an additional 29 million Americans by 2019 by dramatically expanding Medicaid coverage for the poor and by subsidizing private insurance for low- and middle-income Americans.

The \$829 billion cost would be more than offset by reducing spending on Medicare and other federal health programs by about \$400 billion over the next decade, and by imposing a series of fees on insurance companies, drugmakers, medical device manufacturers and other sectors of the health industry that stand to gain millions of new customers under the legislation.

In addition, the package would raise \$200 billion more by levying a 40 percent excise tax on high-cost insurance policies -- the "Cadillac" plans that cost more than \$8,000 for individuals or \$21,000 for a family.

All told, the package would reduce federal budget deficits by \$81 billion over the next decade, the CBO forecast, adding that the savings probably would continue to accumulate well into the future.

"The added revenues and cost savings are projected to grow more rapidly than the cost of the coverage expansion," the report said. "Consequently, CBO expects that the proposal, if enacted, would reduce federal budget deficits [beyond 2019] relative to those projected under current law" by as much as one-half of 1 percent of the nation's gross domestic product -- savings that could total hundreds of billions of dollars.

The package is significantly more expensive than the \$774 billion coverage plan Baucus initially presented, in part because the committee agreed to offer more generous subsidies to people buying private insurance through a network of state-run exchanges.

But the CBO determined that the new measure would cut the deficit by an even greater amount than did the original version. One reason: An amendment offered by [Sen. John D. Rockefeller IV](#) (D-W.Va.) would require states to maintain coverage levels for children currently on Medicaid

or the Children's Health Insurance Program, rather than pushing them into exchanges, where the government would have to pay more to keep them insured.

The CBO said it was unable to tease out the effects of other key amendments, such as a proposal by [Sen. Maria Cantwell](#) (D-Wash.) that would authorize states to pool federal subsidies to develop other forms of insurance. Baucus said he hopes that the provision would generate substantial savings.

Despite an amendment by [Sen. Charles E. Schumer](#) (D-N.Y.) that would make it easier for people to dodge a mandate to buy health insurance, the CBO estimated that the final package would extend coverage to just as many people as the original version, causing the share of non-elderly residents with insurance coverage to grow from about 83 percent today to 94 percent in 2019. About 25 million people would still lack insurance in that year, the CBO said, about half of them illegal immigrants.

Across Capitol Hill, House Democrats said they were close to agreement on a pared-down package of health-care reforms that takes a very different tack on a number of key issues, particularly the method of financing.

"We are coming around the bend. Not in the homestretch yet, but coming around the bend," [House Speaker Nancy Pelosi](#) (Calif.) said after a closed-door meeting. "We are very near to some of our final decisions needed for us to send something to the CBO that will inform how we go forward."

The major remaining challenge for House leaders is how to squeeze the cost of expanding coverage to Obama's prescribed \$900 billion from an initial version that cost more than \$1.2 trillion. That could require shrinking the value of government subsidies that the bill would provide to uninsured low- and middle-class families, or reducing the amount of coverage that people would be required to buy.

Pelosi said the House bill would create a government-run insurance option, something liberals are seeking but the Senate Finance Committee rejected. Reid has not decided whether to include a public option in the final Senate bill, although several proposals are circulating that would give individual states the leeway to create such a plan.

Meanwhile, a senior Democratic aide said House leaders plan to stick with a surtax on income above \$500,000 to finance the package, rather than adopting the Finance Committee's tax on Cadillac insurance policies. More than half of House Democrats signed a letter sent to Pelosi, Senate leaders and the White House on Wednesday saying they oppose a new tax on health benefits in any form. The idea "is a nonstarter for the supermajority of the House Democratic caucus," said [Rep. Joe Courtney](#) (D-Conn.), who drafted the letter.

At a news conference outside the Capitol, Courtney and others argued that the tax would strike not only "the Paris Hiltons of the world," but also many middle-class families.

## Total rail volume off 16.6% in latest week

October 9, 2009

The Association of American Railroads reported Thursday that total volume on U.S. railroads for the week ending Oct. 3 was an estimated 29.7 billion ton-miles, off 16.6% from the corresponding week last year.

Railroads originated 277,734 carloads, down 17.2%. All 19 commodity groups lost ground, with declines ranging from 2.7% for chemicals to 53.2% for metallic ores.

Intermodal traffic added up 206,293 trailers and containers, down 15.7%. Container volume fell 10% and trailer volume was off 37%.

Regionally, carload traffic were down 16.4% in the West and 18.3% in the East.

Canadian railroads reported volume of 73,377 carloads, down 7.3% from last year, and 43,724 trailers and containers, down 15.6%. Mexican railroads originated 12,597 carloads, down 0.9%, and 7,593 trailers and containers, down 3.4%.

Combined North American rail volume for the first 39 weeks of 2009 on 13 reporting U.S., Canadian, and Mexican railroads totaled 13,204,334 carloads, down 18.8% from last year, and 9,139,639 trailers and containers, down 16.7%.

## As membership declines, Teamsters moving into unlikely territory

### Union working its way into health care and public sector jobs

The word "Teamsters" typically conjures up images of burly guys driving beer trucks or pattering around on forklifts in warehouses redolent of diesel fumes. But how about a Teamsters member staffing the checkout desk at a library, or processing an eviction notice at a county courthouse?

Well, the Teamsters union is in fights to represent workers at the Oak Brook Public Library and the Lake County Circuit Court. And these are the sort of nontraditional battles that increasingly have become common in the past decade or so as traditional industrial unions, their membership rolls depleting, aggressively court service workers.

The Steelworkers union has organized many a nursing home, particularly in Minnesota. The United Electrical Workers represents social service workers in Iowa. And the United Autoworkers even has a local that represents freelance writers.

"It's pretty widespread, and the reason they do it is because the sectors they represent have suffered significant job losses," said Robert Bruno, associate professor of labor and employment relations at the University of Illinois at Chicago.

It's a well-told tale: Organized labor has been in a free-fall for the past three decades, with 24 percent of workers counting themselves as union members in 1973, but only about 12 percent saying the same last year, according to

federal data compiled by Barry Hirsch, a professor at Georgia State University.

Unions saw one bright spot. Membership levels -- as a percent of all workers -- hit a nadir in 2006 but bounced back slightly by the end of 2008. And the areas that have shown the most promise for unions are services such as health care and the public employment sector.

In Chicago, Teamsters' Local 714 is heavy on representing public employees, and its membership includes 3,200 Cook County corrections officers and about 1,800 clerks in Cook County Circuit Court.

About a year ago, Local 714 organized more than 120 clerks in Lake County Circuit Court. It normally takes several weeks or months to negotiate a first contract, said Will Petty, a representative of Local 714.

But after a year, the union still hasn't nailed down a first contract with the Lake County Circuit Court, so the Teamsters filed unfair labor practices charges with the state.

Among other things, the Teamsters alleged that County Clerk Sally Coffelt threatened to discipline workers who support the union.

Coffelt declined to comment.

Meanwhile in Oak Brook, the Teamsters are involved in what appears to be their first attempt to organize librarians in the Chicago area.

The organizing drive, which involves about 10 librarians, comes amid the backdrop of cost cutting in Oak Brook, which reportedly included four layoffs at the library.

So how would the Teamsters be able to organize professionals and white-collar workers?

After all, this is the union synonymous with Jimmy Hoffa, the onetime Teamsters leader convicted of bribery and jury tampering in the 1960s who disappeared in 1975 and has long been presumed dead.

Then there are incidents such as when the Teamsters union in 1996 ousted the leader of Chicago's Local 714 and put it under trusteeship, saying it was run for the benefit of the Hogan family, which had run the local for decades.

"It makes a good sound bite, 'Teamsters are thugs,' " said Brian Rainville, a spokesman for Teamsters Council 25, which encompasses more than 20 Chicago-area locals.

And particularly when the Teamsters organize professionals, naysayers typically pipe in with, "These are truck drivers; what do they know about your issues?" Rainville said.

The union's answer: It has a good track record delivering contracts that lead to better pay and working conditions, he said.

Whether the Teamsters will succeed remains to be seen. But the union has clout on its side. It's one of the largest and most powerful unions in the country. And while it has clearly lost significant membership in trucking, its core sector, it was one of the first unions to realize it needed to diversify, said Rick Hurd, a labor expert at Cornell University.

"The Teamsters have a long history of organizing workers in a lot of different settings," Hurd said. "Who was the biggest, baddest union? The Teamsters, so workers would call them."

In the past decade or so, many industrial unions also have gotten much more aggressive in going beyond their traditional boundaries as their core industries have withered.

For instance, the Auto Workers and Steelworkers have met success in organizing public workers in Michigan and Pennsylvania, respectively, states where both unions are well-known and have political power, Hurd said.

The Steelworkers also went on a tear organizing the health care industry in northeastern Minnesota beginning in the 1990s as the region's traditional bedrock -- iron ore mines -- shed workers.

The union organized about a dozen nursing homes and scored a huge coup by winning over scores of workers at several of the region's largest hospitals and health care networks.

The key to success: The union was well-woven into the fabric of northeastern Minnesota culture, said Dave Foster, who led the Steelworkers district that included Minnesota until 2006.

"We were kind of known in the area and had a good reputation," he said.