

**Sent:** Thursday April 12, 2018  
**Subject:** National Agreement Vote Begins

To All IBEW Railroad Local Unions Covered Under the National Agreement.

Sisters and Brothers,

On April 4<sup>th</sup> I advised you that the National Agreement will be going out for another ratification vote. Ratification packets are on the way and all members should be receiving them soon, but no later than Saturday April 21. If you haven't received your packet by Saturday, April 21<sup>st</sup>, then please contact us on Monday April 23<sup>rd</sup> and we'll get one out to you immediately. All ballots must be received back in our office no later than May 7<sup>th</sup>, 2018. Please share this with your members and advise them to be on the lookout for these packets and encourage them to participate in the process! As time is of the essence, they should fill out their ballots and return them as soon as they receive them. The entire ratification packet can be found on the IBEW website, Railroad Department Section, at [www.ibew.org](http://www.ibew.org). Attached to this email are President Stephenson's ratification letter dated April 12, 2018, and the explanation of the H & W "true-up" issue, documents which were not in the initial packet and are new to this packet.

Please share this information with your members as soon as you receive it. And remember, ***if a member doesn't return a ballot, then a vote WILL NOT BE CAST for that member!***

Please don't hesitate to contact us if you have any questions. Thanks for your support and cooperation in this matter.

Fraternally & in Solidarity,

Bill Bohné, Jr.

Director - IBEW Railroad Department

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April 12, 2018

To: All Railroad Members Working for Railroads Covered Under National Bargaining

Dear Sisters and Brothers:

On December 8, 2017, the IBEW reached a tentative agreement with the National Carriers Conference Committee (NCCC), the bargaining group of the nation's freight railroads. The agreement is explained in detail in my letter of January 5, 2018, a copy of which is enclosed in this ratification packet. We put the agreement out for ratification to all IBEW members subject to Railroad National Handling and on February 7, 2018, it was very narrowly rejected. Following further negotiations and mediation, much deliberation and consideration of the situation we are in, and with the concurrence of an overwhelming majority of the IBEW Railroad Local Union Presidents, we are now putting this agreement back out for ratification.

**How we got to where we are today:**

After the agreement was rejected, we immediately engaged the railroads in an attempt to obtain something better for our members. We resumed negotiations with the Carriers on February 21, 2018. We advised the railroads that we were not pleased with the proposed agreement and that we would like to see improvements in the areas of wages, H & W benefits, vacations, and sick days. They responded by stating that they were not willing to offer us anything more than the other organizations, including four of the six unions in our coalition, had already accepted, and that a "pattern" had been established in that 90% of their agreement workforce had already accepted the contract.

That meeting was followed by a mediation session on March 20, 2018, at which all three members of the National Mediation Board (NMB), along with the mediator, were present. In a private session with the NMB, we presented an impassioned plea to them, advising them of what our position is and what we would like to see improved on in the contract, all the while reminding them of the record profits that the railroads continue to make. They listened intently to our position, but exhibited little sympathy and basically repeated what the railroads advised us about the pattern. We then discussed with them what the final steps of the process would be if we were unable to reach an agreement. As to going to a Presidential Emergency Board (PEB), the Board members explained that, due to the Congressional schedule upon which they time releasing us from mediation for a PEB (they will not release us if any of the time periods for which we may exercise self-help fall during a period when Congress is in recess), that such a release may not come until the end of the year, if not later. So, in spite of our continued fighting for our members, the railroads refuse to budge, and it doesn't seem like the NMB will be of much help to us.

In our IBEW webpage update of February 16, 2018, the negotiating process was explained in detail, but I will lay it out briefly again. If this agreement is not ratified, we will then petition the NMB to release us from the mediation process. When and if they decide to release us, they will give us a proffer of binding arbitration, which we and the railroads will have 10 days to accept or reject. If either party rejects arbitration, then a 30-day cooling-off period will begin, at the end of which we would be able to strike and the railroads would be able to impose new wages and working conditions on our members. This is when the president can step in, and usually does, and appoint a Presidential Emergency Board (PEB) to investigate our dispute and make



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recommendations for a new contract. Once a PEB is appointed, it is given 30 days (quite often extended for an additional 15 to 30 days) during which to meet, hold hearings, and make its recommendations to the parties. Following release of the PEB report, another 30-day cooling off period begins, at the end of which we again would have the right to strike and the railroads would have the right to impose their terms and conditions on our members. However, this is where Congress has the right to step in, *forbid us from striking and the railroads from imposing*, and legislates an agreement on us and the railroads, i.e. passes legislation that becomes our new contract - usually with the terms recommended by the PEB. As I stated earlier, indications from the NMB Board Members are that such a release would probably not be granted until late in the year.

### **Why we are putting this back out for ratification:**

Sisters and Brothers, we now find ourselves in a very difficult situation, especially with 90% of the railroads' unionized workforce now under agreement. Whether we like it or not, a "pattern agreement" has been established, a pattern that our experience, and history, indicates is very difficult, if not impossible, to break. You have to remember this - we did not negotiate this agreement! It was negotiated by the "operating" unions, our coalition didn't like it and attempted to improve on it, but the railroads held it out as a pattern agreement and we were not successful in our efforts.

We have heard from many of you since the ratification failed. While many of the comments have been negative, many have also requested that, for various reasons, we put the agreement out for ratification again, including a local that voted at its local union meeting to do so. We have spent many hours discussing this and considering all other possibilities, as we take these decisions very seriously. Our deliberations included discussions about, among other things: the voter turnout of the initial ratification vote, that when analyzed showed that *only a little over 20% of our railroad members actually voted to reject the agreement*; the additional potential liability that the railroads may try to extract from our members with regards to a health and welfare "true-up" (please see enclosed email sent to every IBEW Railroad Local Union President and Local Chairman); the slim chance that we would be able to attain anything better if we went to arbitration or a PEB - in fact maybe even end up with something worse; the possible loss of retroactive pay; and last, but certainly not least, the probability of Congress allowing us to *strike* if we get to that point - *basically a zero chance!* I insisted that, before the final decision was made to put this back out, the IBEW Railroad Local Union Presidents be polled and that they make the final decision. That poll was conducted on April 3 and April 4, 2018, and the Presidents voted overwhelmingly to put it back out.

### **What happens if you don't ratify this agreement:**

If this agreement is not ratified, we will ask for a release from mediation and move forward with the process as explained above. Neither arbitration or a PEB is very palatable, as the outcomes of both, especially a PEB, will take quite a bit of time to attain, and, as stated earlier, we could have an outcome that is worse than the agreement now before you. In fact, in the last PEB that we were involved in, a PEB with SEPTA in which we were joined by the BLE-T, the PEB refused to grant us retroactive pay, and **our members lost approximately five years of back pay** (see railroads July 2017 "no retroactive pay proposal" on our website)! As to our ability to strike, *that possibility is basically non-existent*, as Congress, with over 90 percent of the railroads' organized



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workforce already under agreement, will in all likelihood, *intervene and legislate a contract on us – therefore no strike!*

**Conclusion:**

In view of the foregoing, I and your negotiating committee recommend ratification of the tentative agreement now before you. Again, I would like to thank the negotiating committee for their persistence in this effort on behalf of our members. I personally know how impassioned they are about obtaining something better for you, how hard they worked, and how frustrated they are that, in this round, that possibility has all but disappeared. The committee, led by Railroad Department Director Bill Bohné, consisted of the Railroad Department staff, International Representatives Jeff Burk and Al Russo, and your System Council General Chairmen: System Council 2 Jim Wisniski, System Council 6 Tom Owens, System Council 7 Arthur J. Davidson, System Council 9 J.J. Giuliano, and System Council 16 Dale Doyle.

Enclosed for your review and action are the following: copy of the tentative agreement, wage increase and H & W change synopsis (retroactive pay through January 2018, however you will receive retroactive pay until you begin to receive the new rates), H & W change summary, email explaining the Health and Welfare “true-up,” original ratification letter of January 5, 2018, official ballot, ballot envelope, postage-paid return envelope, and voting instructions. Please follow the instructions carefully so that your vote will count. This information can also be found on the IBEW website, Railroad Department section at [www.ibew.org/railroad](http://www.ibew.org/railroad). On a final note, please remember that this agreement runs through December 31, 2019, so in only 18 months we will begin the negotiating process all over again.

On a final note, we have heard there were rumors circulating that if you don't cast a ballot then you are automatically considered a “Yes” vote. That is not true at all - *if you don't cast a ballot you don't get a vote!* That being said, we are urging all of you to please take part in the process this time.

Thank you for your patience, cooperation and solidarity during these trying times. If you have any questions pertaining to this agreement, please feel free to contact your General Chairman or Railroad Department Director Bill Bohné at [Bill\\_Bohne@IBEW.org](mailto:Bill_Bohne@IBEW.org).

Fraternally yours,

Lonnie R. Stephenson  
International President

LRS:rmd  
Enclosures  
Copy to All International Vice Presidents  
All General Chairmen



Email Pertaining to H & W “true-up” dated April 5, 2018

To All IBEW Railroad Local Unions with Members Covered Under National Handling.

Dear Sisters and Brothers,

It has come to our attention that, since we put out yesterday’s email pertaining to the agreement going back out for ratification, there has been some misinformation spread about the railroads getting more money from us for Health and Welfare. So, this is to set the record straight on that issue. Please make certain to share this with your members immediately!

I recently received the following email – “Hey Bill is there an 82 dollar a month health care raise from the carrier in this new ratification package we are getting or is that rumor? It’s going around that the health care raise is in there.”

FAKE NEWS! While we did advise the Local Union Presidents during our phone calls over the last couple of days that there was an issue with Health and Welfare, we never stated anything like that and nothing could be further from the truth. Here’s what we did tell them.

The Railroads have advised us that once we ratify an agreement with them, they intend to collect what they call a “true-up.” What “true-up” means is this: The railroads claim that the design plan changes to the Health and Welfare plan save them \$73.24 per member per month, a number that we verified as accurate with United Health Care and our health care consultant. So, once we ratify, and since the plan changes weren’t implemented on our members and the railroads are not currently realizing that savings from our members, they intend to deduct from their retroactive pay that amount, and a 10% penalty (their greed is really disgusting), for every month we go until such changes are implemented on our members. As things stand now, by the end of April three months will have passed since the changes went into effect for the other organizations, so the total amount they will be seeking from our members for three months is approximately \$242. If the changes aren’t implemented on us until June 1, then the total will be an additional \$80.56 – or approximately \$322. They further advised that they are and will be seeking the same monthly reimbursements from the members of all organizations which still don’t have the changes implemented, including the BMWE, the SMW, the IAM, and the IB&B.

**So there is no misunderstanding, the railroads will NOT COLLECT ANYTHING from your retroactive pay as a “true-up” until the arbitration is complete! And If we win they will collect nothing!**

We argued strenuously with them on this issue for almost two weeks, stating that as far as we’re concerned they don’t have the right to do this. We even unexpectedly barged in on a meeting the railroad representatives were having to plead our case. We told them our position was they didn’t have the right to get this money, and they were simply being greedy! Unfortunately, they refused to change their position.

So, as it stands now, we have reached agreement that if the tentative agreement gets ratified, the parties will take the “true-up” issue to arbitration and an arbitrator will decide the matter. We are confident we will prevail in arbitration as there is no precedent for this and they didn’t ask this of the Boilermakers and Blacksmiths when they put their agreement out for ratification the second time. And, of course, the railroads are confident of their position also.

So, to make it perfectly clear, the H & W Employee Cost Share will remain the same at \$228.89 per month at least until a new agreement is reached in the next round of bargaining. The \$80.76 per member per month they want from each of our members will only be for the months until we ratify an agreement and the H & W changes are implemented on our members. Presently we're looking at 3 months, if the changes can't be implemented until June 1st then we're looking at 4 months, and so forth. The longer it takes for an agreement to get ratified, the more money they will try to get from our members. As such, this is one of the reasons why we want to get this ratification process over with quickly – in case the railroads do prevail in arbitration our members liability will be limited.