

Sent: Thursday April 5, 2018

Subject: National Negotiations Tentative Agreement H & W Issue

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 BMW, the SMW, the IAM, and the IB&B.

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.

Again, please make certain to share this with your members immediately! If you have any questions, please don't hesitate to contact my office.

Fraternally & in Solidarity,

Bill Bohné, Jr.

Director - IBEW Railroad Department

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