

**Sent:** Friday, July 13, 2017  
**Subject:** National Negotiations Update

Sisters and Brothers,

Yesterday I sent you an email pertaining to Railroad National Negotiations/Mediation, and advised I would email you again once our coalition received a formal proposal from the railroads. Last evening, I received an email from our coalition chairman, Bob Scardelletti, with the NCCC proposal for our coalition attached. As expected, it is almost identical to the proposal they gave to the UTU/BLE-T coalition that I sent you yesterday. The UTU/BLE-T coalition will be meeting with the railroads again on July 19th. Following that meeting, we will schedule a meeting with the railroads.

Again, thanks for the support of your locals and your members during this most difficult bargaining round. I will continue to keep you updated as this matter progresses. If you have any questions pertaining to the foregoing, please don't hesitate to contact me.

Fraternally and in Solidarity,

Bill Bohné, Jr.  
Director - IBEW Railroad Department  
202-728-6016

**NCCC COMPREHENSIVE SETTLEMENT PROPOSAL**

**TCU/SHOP CRAFTS COALITION**

**I. COMPENSATION**

General Wage Increases:

1/1/15: 3.0% (already in effect)

Agreement Date: 4.0%\*

7/1/18: 2.0%

7/1/19: 2.0%

\* Assumes Agreement effective prior to 7/1/18. If thereafter, GWI at that time will be the sum of above GWI's not yet in effect

**II. WORK RULES**

A. NCCC Work Rule Proposals

See Attachment A

B. TCU/Shop Crafts Coalition ("Coalition") Common Issues

Continue negotiations on Holiday, Vacation, Personal Leave, Bereavement Leave, Safety Equipment proposals (as presented on 2/22/17)

C. Continue negotiations on Shop Crafts' Common proposal on Sick Leave

- D. All other Coalition work rule proposals withdrawn
- E. NCCC reserves the right to advance work rule proposals and counter-proposals to Coalition proposals identified above
- F. Compensation package set forth in Part I above subject to adjustment based on negotiated disposition of Coalition proposals described in Part II

**III. HEALTH & WELFARE**

**Plan Design:**

- A. MMCP Non-Copay (In-Network)
  - 1. Individual Deductible                      \$700
  - 2. Employee Coinsurance                      20%
  - 3. Individual OOP Max                      \$3,000
- B. MMCP Copays
  - 1. Convenience Clinic                      \$10
  - 2. Primary Care                      \$25
  - 3. Specialist                      \$50
  - 4. Urgent Care                      \$25
  - 5. Emergency Room                      \$125
- C. Pharmacy
  - Retail:
    - 1. Generic                      \$10
    - 2. Brand Formulary                      \$35

- |    |               |       |
|----|---------------|-------|
| 3. | Non-Formulary | 50%*  |
| 4. | Specialty     | \$125 |

Mail Order:

- |    |                 |       |
|----|-----------------|-------|
| 1. | Generic         | \$10  |
| 2. | Brand Formulary | \$70  |
| 3. | Non-Formulary   | 50%*  |
| 4. | Specialty       | \$250 |

\* Third tier coinsurance min/max of \$50/\$125 retail,  
\$100/\$250 mail order

D. Additional Features

1. Family maximum amounts for deductible and OOP max are double the individual amounts
2. Similar value differential relative to MMCP in-network vs. OON and CHCB as currently in place
3. MHSA coverage integrated into medical coverage
4. Implement all available and relevant pharmacy rules through ESI
5. Fixed dollar plan cost sharing features are indexed annually (through mutually agreed upon methodology) to help preserve Actuarial Value

E. Value-Added Features

1. Telemedicine
2. Expert second opinion services
3. Member Advocate services

4. Centers of Excellence for specified conditions
5. Radiology Benefit Management
6. End of life counseling/services
7. Additional ESI programs (channel management, screen RX, enhanced fraud, waste and abuse)
8. Consolidate all Care Management under single vendor/provider

F. ERMA Pharmacy Benefit Design Reforms

1. Adopt current NH&W Plan Pharmacy Benefit Co-Payment Design
  - o \$5/25/45 In Network Retail; \$5/50/90 Mail Order
2. Adopt and implement all available and relevant pharmacy rules through ESI
3. Applicable to individuals who become eligible for ERMA coverage on or after \_\_\_\_\_.

**Employee Contributions**

G. Employee Monthly Contributions:

1. Maintain current contribution methodology
2. Monthly contribution amount will be adjusted effective July 1 of each year beginning in 2016, and continuing through 2019, based on Payment Rates effective on January 1 of that year
  - i. Effective 7/1/16, such amount will be \$228.89
3. Monthly employee contribution caps as follows:

- i. 7/1/17: \$245
- ii. 7/1/18: \$260
- iii. 7/1/19: \$275

**H: Cadillac Tax**

Process, with finality, to implement changes to Plan design as soon as possible to bring Plan value below tax threshold in the event the Plan would be subject to payment of excise tax

**IV. TERM**

Standard national moratorium

Five-year duration (1/1/15 through 12/31/19)

New notices can be served 11/1/2019, effective 1/1/20

## ATTACHMENT A - NCCC WORK RULE PROPOSALS

### **Core Business Focus (BRC/IAM/IBEW/TCU)**

#### **GENERAL CONCEPT:**

Where restricted and in addition to existing Carrier rights, eliminate any contractual obligation to use Company employees for a) building construction, repair and maintenance, and b) crew transportation.

#### **PROPOSAL:**

The Core Business Focus proposal contemplates permanent elimination of any contractual rights to perform certain types of work currently done on a carrier, in whole or part, by BRC/IAM/IBEW/TCU represented forces.

The carriers' rights and the work within the contemplated coverage are listed below.

All existing rights of a carrier to contract out work are retained. Any existing restrictions on contracting out the following work are eliminated, including any obligation to provide advance notice.

- a) **BRC/IAM/IBEW/TCU - Building Construction/Maintenance (includes janitorial)/Repair:** Effective the date of this agreement, any restriction on the right of the Carrier to use contractors to perform work related to new construction, remodel/renovation, repair, or cleaning of a building or any portion thereof is eliminated. The term building includes the foundation, floor, walls, roof, doors, windows, plumbing, HVAC, lighting and electrical. The term cleaning will include removal of trash or debris. Nothing in this provision is intended to restrict the rights of the Carrier to at times delegate some such work to Company forces at management's sole discretion, while otherwise using contractors to perform such work.

- b) **TCU - Crew transportation of TYE employees (Outside/inside terminal):**  
Effective the date of this agreement, any restriction on the right of the Carrier to use contractors to perform the transporting of train crews (“crew hauling”), including intra-terminal, is eliminated. Nothing in this provision is intended to restrict the rights of the Carrier to at times delegate some such work to Company forces at management’s sole discretion, while otherwise using contractors to perform such work.



## **Incidental Work / Simple Tasks**

**(IBEW Telecom.)**

### **GENERAL CONCEPT:**

An employee may be required, so far as the employee is capable, to perform tasks covered by any classification of work rule or scope rules applicable to maintenance of way, signal, or communications work, as follows:

### **PROPOSAL:**

#### **Section 1**

(a) When an employee or employees are performing a work assignment, the completion of which calls for the performance of “incidental work” covered by the classification of work or scope rules of another craft or crafts, such employee or employees may be required, so far as they are capable, to perform such incidental work provided it does not comprise a preponderant part of the total amount of work involved in the assignment. Such work shall include simple tasks that require neither special training nor special tools. Incidental work shall be considered to comprise a preponderant part of the assignment when the time normally required to accomplish it exceeds the time normally required to accomplish the main work assignment; and,

(b) In addition to the above, simple tasks may be assigned to any craft employee capable of performing them for a maximum of two (2) hours per shift. Such hours are not to be considered when determining what constitutes a “preponderant part” of the assignment; and,

#### **Section 2**

Any work performed by an employee pursuant to this provision shall be done without additional compensation to such employee and without claim by, or penalty payment to, any other employee.