2018 – FOURTH QUARTER REPORT

ALL LOCAL UNIONS
SYSTEM COUNCIL NO. 2

Dear Brothers and Sisters:

The U.S. Senate recently confirmed nominations of three new members to the U.S. Railroad Retirement Board – Erhard R. Chorle, Chairman; Thomas Jayne, Management Member; and, Jonathan Bragg, Labor Member. Labor Member Bragg began his railroad career eighteen years ago as a conductor with CSX. He later transferred to the Signal Department where he served as a BRS Local Chairman. In 2008 he was appointed to the BRS Grand Lodge where he served as the BRS representative of the National Railroad Adjustment Board (NRAB). Bragg is replacing outgoing Labor Member Walter Barrows on the three-member board. He will fulfill the remainder of a five-year term expiring August 28, 2019 and will assume an additional five-year term.

The amounts of compensation subject to railroad retirement tier I and tier II payroll taxes will increase for 2019, while the tax rates on employers and employees will stay the same. The railroad retirement tier I payroll tax rate on covered rail employers for 2019 remains at 7.65%. The railroad tier I tax rate is the same as the social security tax, and for withholding and reporting purposes is divided into 6.20 percent for retirement and 1.45 percent for Medicare hospital insurance. The railroad retirement tier II tax rates in 2019 will remain at 4.9 percent for employees and 13.1 percent for employers. The maximum amount of earnings subject to railroad retirement tier II taxes in 2019 will increase from $95,400 to $98,700.

As previously pointed out, Union Pacific announced in September that they would be implementing an operating plan entitled “Precision Scheduled Railroading”, much like the CSX adopted a year earlier alongside CEO and railroad mogul Hunter Harrison. Subsequently, the Norfolk Southern Railroad announced its plan to do the same. It is my understanding that just recently the

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BNSF has also begun something similar. As with the CSX, the Union Pacific began reducing forces throughout all its departments and at most locations. Although, the Carrier’s business levels haven’t declined, it was announced in November that their fleet size was being reduced by over 1,000 locomotives and counting. As a result, IBEW workforces were impacted as well. Throughout the fourth quarter, IBEW forces were reduced system wide in the Telecommunications Department and system Mechanical Department facilities, with a total of (94) furloughs to this point. This is quite disheartening, considering less than a year ago the Carrier was hiring in record numbers with unlimited overtime and hiring/moving bonuses. Nevertheless, I have requested that any sign of subcontracting be investigated and reported to your System Council representative. We are currently addressing workforce issues at the various Union Pacific locations and departments and explore any and all recall opportunities where members have been furloughed. Our thoughts and prayers are with our furloughed brothers and sisters during these difficult times.

On November 13, 2018, the System Council finalized the implementing agreement providing protection benefits for those members recently affected by the transfer of work and closure of the South Morrill, Nebraska locomotive facility. The transfer and closure of the facility is intended to be on or before January 30, 2019.

On the date of December 12, 2018, we presented the next docket of cases listed before Public Law Board 7001 with Union Pacific. I will notify the Claimants and local unions accordingly as the Awards are issued.

October 2018

- The System Council staff and I attended the annual IBEW Railroad Department meeting.

- VGC Reynoso and AGC Starkjohann attended the Union Pacific Non-Operating Craft General Chairman meeting with Union Pacific.

- AGC Shell and I met together with the IAM General Chairmen and UPRR Labor Relations to discuss the implementing agreement regarding the transfer of work and closure of the South Morrill, NE locomotive facility.

- VGC Reynoso, AGC Strkjohann and I attended the Union Pacific General Chairman’s Association meeting.

- I attended the IBEW Railroad Coordinating Council meeting.
• VGC Reynoso and I attended the Shopcraft Coalition meeting with UPRR.

November 2018

• AGC Starkjohann attended the monthly meeting of Omaha Local 618.

• The System Council staff and I met for a quarterly staff meeting and review.

• AGC Starkjohann met with UPRR Labor Relations in attempt to assist Telecom members with job abolishment’s and exercise of seniority options.

• AGC Shell and AGC Norton attended a meeting at South Morrill, Nebraska regarding the closure of the facility, Local 1920.

• The System Council staff and I met to finalize preparation of submissions for PLB7001.

December 2018

• AGC Starkjohann continued to work through UPRR Labor Relations regarding Telecom abolishment’s and bumps.

• VGC Reynoso attended the monthly meeting of Los Angeles Local 889.

• AGC Starkjohann attended the monthly meeting of Omaha Local 618.

• VGC Reynoso, AGC Shell and I attended arbitration before PLB 7001 with UPRR.

• The Council staff and I assisted many of the local unions with issues and concerns of the recent furloughs

In solidarity, I remain

Fraternally yours,
Jim Wisniski
General Chairman