



**UNIFIED SYSTEM DIVISION
NEWSLETTER
VOLUME 30 - July , August , September 2016**

Right to Work....code words for busting unions.



BARGAINING UPDATE

National Bargaining a Slow Moving Train

July 26 – 27, 2016

On July 26 and 27, 2016, the BMWED/SMART-Mechanical coalition engaged in further national negotiations with the National Carriers' Conference Committee (NCCC) in Minneapolis, Minnesota.

During the negotiation sessions, the NCCC presented a very brief and generic presentation of the U.S. Class 1 freight railroads' financial status. In short, the NCCC alleged that immediate and long-term changes in coal utilization require them to transition their current business model towards intermodal transportation. They further contended that intermodal is highly sensitive, and that in order to flourish under such a purportedly sensitive business model, the railroads would require extreme flexibility in the management of their resources (i.e., workforce) and materials. The NCCC then presented three very general work rule changes regarding contracting out, the performance of incidental work and simple tasks, and the utilization of qualified employees in technical and/or safety-sensitive positions. The NCCC further noted that in order for the Class 1 freight railroads to flourish under this new business model, they would need to bring health and welfare benefits to a "mainstream" level.

BMWED/SMART-Mechanical coalition responded to the NCCC, first noting that their financial status presentation was rather one-dimensional and excluded the many areas where the railroads have also re-directed their business model to do rather financially well, despite losses in coal transportation. The BMWED/SMART-Mechanical coalition next pointed out that the NCCC's proposed work rules were very general in nature so that a detailed response would come after the NCCC presented specific proposals couched in contract language. Lastly, the coalition reminded the NCCC that during the March 30 and 31, 2016 bargaining sessions, the railroads committed to performing an analysis of the Small Working Group's (SWG) National Health and Welfare Plan findings, and that such analysis would take approximately two months to complete; however, it has been nearly four months since the railroads made that commitment.

The NCCC committed to having a complete financial presentation coupled with wage proposals, as well as a more detailed work rules proposal and a comprehensive response to the SWG's analysis, for the scheduled September 14 and 15, 2016 negotiation sessions. Additional negotiation sessions are scheduled for October and November of this year.

September 14, 2016

On September 14, 2016, the BMWED/SMART-Mechanical coalition engaged in further national negotiations with the National Carriers' Conference Committee (NCCC) in Crystal City, VA.

During the negotiation sessions, the NCCC presented a Comprehensive Proposal which included miniscule wage increases, substantial changes in HealthCare Benefits, and extensive work rule changes. The NCCC again expounded on the less than adequate state of U.S. Class 1 freight railroads' financial status. The Organization contested the NCCC's meager outlook by pointing out the fact that over the last year and a half of so-called economic downturn, the Nation's Railroads have continued to indulge in soaring profitability. The NCCC again noted their desire to bring health and welfare benefits to a "mainstream" level. Again the Organization reiterated that such idea to shift the cost of healthcare onto the membership in which they represent is unacceptable at the very least. However, after nearly six months since the Organization's presented their National Health and Welfare Plan Findings to the NCCC, the NCCC did have a very short and generic response in regards to the savings which could be accomplished through the plan changes, they did concede that such savings would be substantial in nature. The two parties will continue to bargain toward a contract resolution that will best fit the desires of both sides when they meet again on November 16 and 17, 2016.

UNIFIED SYSTEM DIVISION NEWS

Things You Should Know

IMPORTANT HEALTHCARE DATES

\$\$\$\$\$\$ Flexible Spending Accounts Save You Money \$\$\$\$\$\$

**OPEN ENROLLMENT FOR HEALTHCARE CHANGES
AND FLEX PLAN ENROLLMENT WILL BE A PERIOD
FROM OCTOBER 1, 2016 THROUGH OCTOBER 31, 2016.**

Steffen and Tirado Retire

Long Time Unified System Division Members of the Joint Protective Board and Executive Board Al Steffen and Juan Tirado recently retired.

Steffen who was a member of Lodge 1879 in St. Paul, MN was serving as Chairman of the USD Executive Board. Steffen who retired July 31, 2016 is a 41 year member of the BMWED.

Tirado who was a member of Lodge 1096 in Bakersfield, CA was serving as Member of the USD Executive Board. Tirado who retired August 8, 2016 is a 40 year member of the BMWED.

According to the Unified System Division By-Laws Brother Garry Purkey of Lodge 1402 who was serving as Executive Board Secretary Treasurer was promoted to Chairman of the Executive Board upon Brother Steffen's retirement. The Executive Board Secretary Treasurer Position which was vacated due to Brother Purkey's promotion was be filled by Brother Lee Montgomery of Lodge 2853 in Crystal Lake, IL. The Region 2 Executive Board member which was vacated due to Brother Montgomery's promotion was filled by the appointment of Brother Roberto Carreon of Lodge 377 located in Northlake, IL. The Region 3 Executive Board member which was vacated due to Brother Tirado's retirement was filled by the appointment of Brother Glen Royer of Lodge 1054 located in Eugene, OR

IMPORTANT REMINDERS

BMWED Safety and Health Survey

Recently All Current BMWED Members received a letter from President Simpson regarding a current campaign to get All Current and Retired BMWED Members to participate in a Safety and Health Survey in order for the BMWED to complete a long-overdue study regarding the membership, their working conditions, and the short and long term effects the nature of the work has on ones body. It cannot be expressed enough how important it is for each and every member and retired members to participate in this survey . While it is recognized that this survey is lengthy and rest assured that the information collected and the details discovered as to how the work and prolonged exposures to the elements the BMWED members are subjected to during their careers is vital to the understanding of why and how it effects the current health as well as the long term effects members deal with long after their retirement. The Unified System Division Officers would like to express the importance and encourage you to take the time to complete the survey. The life you help could be your own.

To take the Survey in English or Spanish, please choose one of the following options:

To take the survey anonymously on-line, please go to our secure website at **www.bmwesurvey.com**

To request a paper copy and answer anonymously in writing, please call **(802)-485-4554** and send you completed survey to: **Ruth Ruttenberg & Associates, 1830 Hallstrom Rd. Northfield, VT 05663**

TO answer on a confidential telephone interview in English please call **Ruttenberg & Associates at (802)-485-4554** For Spanish, call **Maria Orbando at (240)-855-2237.**

Your System Officers at a Glance **Mike Hallgren**

This quarters featured Officer is Vice Chairman Mike K. Hallgren. Mike began his railroad career in 2004 on the Union Pacific Railroad property. Mike has spent most of his railroad career REO Brant Truck Operator and Crawler Backhoe holding positions on system and division. Brother Hallgren has served in the capacities of Secretary-Treasurer, Lodge Local Chairman and Joint Protective Board Member of Local Lodge 0757 chartered in Portland, OR. Mike was elected as a full time System Officer in 2014 where he currently serves the membership as Region 1 Vice Chairman of the Unified System Division. Mike and his wife Katie of eight years reside in Sandy, OR where they enjoy spending time with their two daughters Shaylee who is seven and Savannah who is five.

Gandy Alert - Contractor Flagman

This message is primarily for UPRR Members but I've included all of you in case Rail Pros Employees show up on your doorstep to take away your work if you work for a different railroad.

There is a plague amongst us and that plague is a company called Rail Pros. They offer Flagging services to the railroad industry and UPRR has chosen to utilize their services. UPRR has hired Rail Pros to perform flagging for projects that Maintenance of Way Employees are currently flagging. You will get your job cut off and you will be replaced by Rail Pros flagmen if we don't fight back now. Make no mistake we will do everything that we can under the law to try and prevent them from taking our flagging work but we will need your help.

What can you do? You can call an Officer of the Unified System Division and report to them with:

- ♦ Where the flagging is taking place. (Mile Post, Station Name, etc.)
- ♦ Who the flagman is, if you can get his/her name. (They just happen to be, more often then not, retired MofW Employees who are now scabbing your work)
- ♦ What type of work are they flagging? (Bridges, Contractors working over or under the track, Construction adjacent to the track, any situation where the track may be affected by the outside entity encroaching on the track or disturbing the track.)
- ♦ Are they running a Form B or C?
- ♦ Are they getting Track and Time or Track Warrants?
- ♦ Most importantly, did Rail Pros Employees replace UPRR Flagmen? Did you get cut off and then replaced by Rail Pros Employee?

This is certainly no laughing matter and in order for us to put up the right kind of response and fight we need your assistance.

As a side note, We find the most disturbing piece of this issue is the fact that our former members are willing to scab this work out from under the very people that they worked along side for decades. These are the lowest of the low in our minds. They will get what they deserve.

Healthcare NOT Wealthcare



UP & CEO Lance Fritz – Profitable and Rich

Let's take a look at CEO Lance Fritz. In 2015, as Chairman, President & CEO at UNION PACIFIC CORP, Lance M Fritz made:

- ☐ \$966,000 in salary;
- ☐ \$2,000,000 in bonuses;
- ☐ \$2,400,008 in stock options;
- ☐ \$3,600,488 in stock awards;
- ☐ And \$139,220 in other compensation.

\$9,105,716 in total compensation.

(This information is according to proxy statements filed by UP for the 2015 fiscal year.)

CP& CEO Hunter Harrison-Profitable and Rich

Let's take a look at Hunter Harrison. In 2015 as CEO of CP, he made:

- ☐ \$2,200,000 in salary;
- ☐ \$3,700,000 in stock awards;
- ☐ \$4,100,000 in options awards;
- ☐ And \$5,665,000 in other compensation.

\$15,665,000 in total compensation.

(This information is according to proxy statements filed by CP for the 2015)

In 2015 Union Pacific racked up almost 22% in profits. In the first quarter of 2016, profits stayed high at 20.8%. In 2015, Canadian Pacific racked up 20.1% in profits. In the first half of 2016, profits skyrocketed to 28% - much, much more than what the average U.S. Corporation makes.

So why are they asking us to pay more for our Healthcare?
Corporate Greed My Brothers and Sisters

If UP&CP has the money to pay their CEO's and other executives huge salaries and bonuses, they can afford to keep our Healthcare the way it is. We need to continue to take action to show Railroad executives like Fritz & Harrison that we're serious about maintaining our Healthcare benefits.

Mr. Galen E. Owen
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