

National Freight Railroads Bargaining Update

November 19, 2010

Coalition of Rail Labor Unions Moves at Record Pace in an Attempt to Reach Agreement with National Freight Railroads. Release From Mediation Requested.

Earlier this month IBEW International President Ed Hill, along with the Rail Labor chiefs of the American Train Dispatchers Association, the Brotherhood of Railway Carmen, the International Association of Machinists, the Transportation Communication Union, and the Transport Workers Union, petitioned the National Mediation Board (NMB) to release us from mediation in our negotiations with the nation's freight railroads. These requests followed 3 two-day mediation sessions held with the Mediator and the railroads since invoking mediation this past July.

As indicated in previous communications, during our first mediation session we advised the Mediator that our goal was to reach (or be very close to) an agreement that was satisfactory to our members, or get released from mediation, by the end of December. The Mediator advised us that in order for him to recommend to his superiors that we be released, he needed to see movement from our side on our economic, rules, and Health and Welfare demands indicating that we were serious in our wishes to reach an agreement with the Railroads. Accordingly, we modified our proposals and discussed our changes with the mediator, who indicated that our modified proposals were reasonable and showed a good faith effort on our behalf to reach an agreement. In a follow-up session with the railroads, we presented and reviewed with them our revised Health and Welfare proposal.

During our October mediation session, the Carriers presented us with their initial Health and Welfare proposal, which contained many changes that would shift health care costs from the railroads to our members. However, the Carriers did not present us with a wage proposal, which they advised they would have ready for our next session. After more discussion with the Mediator, and in an effort to move the process, we revised our wage demands for presentation at the next scheduled mediation session for November. And at the opening of our mediation session on November 1, we presented our amended wage demands while the Carriers presented us with a revised health and welfare proposal along with an initial wage proposal.

After evaluating our positions at the completion of our mediation session on November 1, we the Rail Labor Coalition concluded that the parties' positions were so far apart that there would be no possibility for a voluntary agreement through the mediation process, and advised the railroads and the mediator of such at our November 2 session. The Carriers have achieved outstanding, in fact record, economic results within the last year under the terms of the current Health and Welfare plan, and there is no justification whatsoever to significantly reduce benefits and shift costs to our members. Additionally their wage proposal left much to be desired. We firmly believe that our members should

share in the railroads' unprecedented economic prosperity to which their daily sacrifices and contributions have played such a major role.

Our Bargaining Coalition therefore concluded that additional mediated talks would be fruitless and simply delay reaching an agreement, and all unions agreed to request the NMB to immediately proffer arbitration. Once a proffer of arbitration is issued by the NMB, if either side rejects the proffer then the dispute will move to the "self-help" stage, at which point the unions and the railroads will all be able to take additional measures to resolve their issues. It is at this point where the President of the United States usually gets involved and appoints a Presidential Emergency Board to investigate and help resolve the dispute.

As you may recall, during the last round of bargaining it took our coalition two years to get into mediation. We are not even a year out of contract and are already asking to be *released* from mediation, well ahead of where we were at this time in the last round. It is our intent to expedite this process as much as possible and to obtain a contract for you, our members, that shares in the railroads record profits that you work so hard to help them achieve. We presently have additional mediation sessions scheduled for December 7th and 8th, 2010, and January 25th and 26th 2011. As always, we will keep you apprised of any significant movement.