



SYSTEM COUNCIL NO. 16

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

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Jeff Allred **Brad Carothers** **Jeff Burk** **Mike Tschacher** **Amanda Jacobs**
General Chairman Vice Chairman Sec Treasurer Asst Gen Chairman Admin Asst

To: All Locals in National Handling

Good morning,

I'm sure all of you are aware of various Organizations reaching Tentative Agreements with various Class 1 railroads. We have discussed this with Director Russo as we have been offered the same deal or discussed it with the Class 1 properties we represent.

The Agreement essentially offers a front loaded 17.5% GWI before compounding, faster accrual of vacation, and changes to health and welfare.

While the GWI and the vacation aren't that far off base, our concern is the proposed changes to health and welfare. The Carriers propose changes to the benefits such as covering male sterilization and increases to vision and dental coverage. The problem comes from their proposal on health insurance. If you recall, PEB 250 capped employee monthly contributions at 15% of the Carrier's cost, but kept the plans as a single tier. This was considered a win for us, as the railroads wanted to add options for high-deductible plans, creating a 4-tiered system. This Agreement proposes a 2-tiered system catering to lower premiums and higher deductibles for single employees.

There are approximately 160,000 railroaders who have health insurance through the National Plan, there are roughly 22,000 of those who are single with no dependents. The new Single Tier would lower monthly contributions and raise deductibles for those who choose this plan. Assuming all 22,000 went with this option, that would leave a \$26 million shortfall for the family plan. The fear is that this will drive the cost of the Family Plan up, resulting in members paying much more out of pocket for their 15% monthly contribution. Brother Russo is currently working on putting numbers together to see what this might look like down the road.

How did we get here? The TCU began secretly and prematurely negotiating with the CSX early this year, on their own. Since they reached this Tentative Agreement, several other organizations and carriers have accepted the T/A as well. Make no mistake about it, the TCU has inhibited the other organizations' ability to negotiate by doing this. We still intend to negotiate for a better deal; however, if other unions ratify these tentative agreements, they will be setting a pattern that would make it very difficult to negotiate anything better than what they settled for.

I will continue to keep you informed of any new developments.

Fraternally,

Jeff Allred

Jeff Allred
General Chairman
System Council 16 - IBEW

OUR BUSINESS – REPRESENTATION & SERVICE



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To: All Members in National handling.

I would like to start by rescinding part of my last correspondence on this subject pertaining to the CSX and the TCU. This is to clarify that this information was my opinion and unbeknownst to me wasn't entirely factual.

I wanted to update you on the current situation pertaining to negotiations on the Class 1 railroads. The TCU and BRC have ratified contracts on the BNSF, CSX, and NS. We will continue to negotiate for a better deal, but it will become more difficult as more organizations ratify what is being offered.

In my opinion, the thought of starting tiered healthcare plans is sickening. This will likely snowball in future negotiations and will likely have negative impacts on newer employees and employees to come in the future. It's no secret that the Carriers want the membership to have the same healthcare benefits as their exempt employees.

Jeff Allred

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