



**INTERNATIONAL
BROTHERHOOD
OF ELECTRICAL
WORKERS®**

900 Seventh Street, NW
Washington, DC 20001
202.833.7000
www.ibew.org

LONNIE R. STEPHENSON
International President

KENNETH W. COOPER
International
Secretary-Treasurer

December 12, 2019

VIA CERTIFIED MAIL

Mr. Brendan Branon
Chairman
National Railway Labor Conference
251 18th Street, South
Suite 750
Arlington, VA 22202

Re: IBEW 2019 National Rail Freight Railroad Section 6 Notice

Dear Mr. Branon:

Please consider this letter as a thirty-day notice, pursuant to Section 6 of the Railway Labor Act, as amended, of my desire to revise and supplement all existing agreements governing rates of pay, rules, working conditions, and health and welfare benefits in accordance with the proposals set forth in Attachments A, B, C, and D enclosed hereto, with such provisions to be effective as of January 1, 2020. This notice is served on behalf of all the members of the International Brotherhood of Electrical Workers (IBEW) - AFL-CIO, who are employees of the railroads represented by the National Carriers' Conference Committee (NCCC) as outlined in Attachment A of your November 1, 2019, letter to retired IBEW Railroad Department Director William T. Bohné.

For clarification purposes, Attachment A addresses wages and rules, Attachment B addresses health and welfare issues, Attachment C addresses issues common to the Shop Craft organizations which are a part of our bargaining coalition, and Attachment D addresses issues specific to individual railroads as identified by IBEW Railroad System Councils and railroads. Attachment D is being served for the following carriers: Union Pacific Railroad, Norfolk Southern, Bessemer and Lake Erie Railroad Company d.b.a. C.N., Indiana Harbor Belt Railroad Company, CSX Railroad, Burlington Northern Santa Fe Railway, and Canadian National Railroad.

In accordance with my letter sent to you on November 8, 2019, it was agreed to waive the time limits for the initial conference. The NCCC met with the Coordinating Bargaining Coalition on December 10, 2019, in the offices of the National Railway Labor Conference (NRLC) in Arlington, Virginia. The meeting was attended by IBEW International Representatives Al Russo and James Meyer. Furthermore, with regards to Attachment D – Local Issues, please forward such attachments to the appropriate railroads.

Please be advised that with regard to Attachments A, B, and C, the IBEW will be negotiating with the NCCC as part of a coalition of Rail Labor Unions



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Mr. Brendan Branon
December 12, 2019
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consisting of the American Train Dispatchers Association (ATDA), Brotherhood of Locomotive Engineers and Trainmen/Teamsters Rail Conference (BLET), Brotherhood of Railway Signalmen (BRS), International Association of Machinists and Aerospace Workers (IAM), the International Brotherhood of Boilermakers (IBB), National Conference of Firemen and Oilers/SEIU (NCFO), Transportation Workers Union of America (TWU), the Transportation Communication Workers Union/IAM (TCU), Transportation Division of the International Association of Sheet Metal, Air, Rail, and Transportation Workers (SMART-TD). Be further advised that the IBEW reserves the right to withdraw from the negotiating coalition at any time and, if done, will continue to negotiate with the NRLC/NCCC separately.

As for Attachment D, I have designated the individual General Chairmen to bargain with the individual carriers for which they are responsible. As a courtesy, I also have directed the General Chairmen, on behalf of their System Councils, to forward copies of their Attachment D to their respective railroads.

This request is separate from and in addition to any other request that has been submitted to any carrier which is now pending. This notice shall in no way be construed as a concession by the organization that the carriers have the right under existing agreements or practices to act unilaterally without first reaching agreement with the organization in any area or on any matter which this notice addresses, or that employees do not possess any or all of their existing rights, privileges and benefits that are addressed by the topics raised in the notice. Additionally, the IBEW reserves the right to serve additional notices to be handled concurrently with this notice.

If you have any questions or concerns pertaining to the above, please contact IBEW Railroad Department International Representatives James Meyer or Al Russo at (202) 728-6016.

Sincerely yours,

A handwritten signature in cursive script that reads "Lonnie R. Stephenson".

Lonnie R. Stephenson
International President

LRS:rm
Attachments
Copy to All International Vice Presidents
All Railroad General Chairmen

ATTACHMENT "A"

WAGES, COMPENSATION AND BENEFITS

Wages

- January 1, 2020: 5% General Wage Increase
- July 1, 2020: 7% General Wage Increase
- July 1, 2021: 7% General Wage Increase
- July 1, 2022: 7% General Wage Increase
- July 1, 2023: 7% General Wage Increase
- July 1, 2024: 7% General Wage Increase

Retroactive Pay:

Any retroactive portion of wage increases will be paid no later than 60 days after the date of the executed Agreement.

Cost of Living Yearly Increases

On January 1, 2020 and each year January 1 thereafter a Cost of Living increase equal to the Consumer Price Index for Urban Wage Earners and/or in proportion to any raise(s) in the minimum wage, whichever is greater.

Ratification Bonus

As a ratification incentive the Carrier to pay a signing bonus.

Holidays

Add Martin Luther King, Jr. Birthday

Amend Holiday Rule-When work is performed on a holiday the employee shall be allowed to bank 8 hours at the straight time rate of pay to be used as a Personal Holiday.

Amend Holiday Rule-To provide employees who are required to work their holiday be allowed to take off their shift and have their shift covered by a volunteer. In addition, a Volunteer Holiday Overtime Record will be kept of overtime worked and men called, with the purpose in view of

distributing the overtime equally among the employees in so far as their qualifications permit subject to agreement between the local officer and the local union representative. Seniority to govern.

Amend Holiday Rule-To provide for payment to be at the Double Time Rate for those on Standby. Up to eight hours payment may be banked in the form of a Personal Holiday for future use.

Amend Holiday Rule-To eliminate qualification days for holiday pay.

Vacations

Amend Vacation Schedule as follows:

<u>Years of Service</u>	<u>Vacation</u>
6 months through 12 months	1 Week
1 through 4	2 Weeks
5 through 7	3 Weeks
8 through 14	4 Weeks
15 through 19	5 Weeks
20 or more	6 Weeks

Amend Agreement-Provide employees the option to carry-over 40 hours of vacation time to the following calendar year.

Amend Vacation Rule-Provide employees the option to use of up to two weeks' vacation, one day at a time.

Amend Vacation Rule-Provide employees the option to use single vacation days in two-and four-hour increments.

Amend Vacation Rule-Provide employees the option to sell back any unused vacation days to the Carrier at the end of the year at 100% of their value.

Bereavement Leave

Amend the rule to add the following relatives: Grandchildren, Grandparents, Stepchildren, Stepparents, Spouse's Stepparents.

Amend the rule to allow for four paid bereavement days to be taken at any time upon the notice of the death of an immediate family member or relative.

Personal Leave

Amend the Rule to provide one day for employees with 1-4 years of employment, two days for 5-9 years employment, three days for 10-14 years of employment, four days for 15-19 years of employment, five days for 20-24 years employment and six days for 25 or more years of employment.

Provide employees the option to carry over any unused personal days.

Provide employees personal leave time to be used as "Compensated Service".

Provide employees the option to take a Personal Leave Day within 24 hours' notice.

Eliminate limits on the daily number of employees allowed to use Personal Leave Days.

Sick Leave:

(a) Provide employees with one or more years of service to accrue eight (8) hours sick leave for every 160 hours worked, with the ability to carry-over any unused time. Employees with five or more years of service will be given the option to sell back any unused time to the carrier at the straight time rate of pay upon retirement or termination.

(b) In addition to sickness, employees may use their sick days for maternity and paternity leave.

(c) Amend the Agreement-Provide employees the option to donate sick time to another employee.

Matching 401K Plan

Amend the Agreement to provide a matching 401K plan. Carrier to contribute full match up to 5%.

Safety Equipment

Offer or provide full reimburse for all required safety equipment, including work boots and Fire Retardant Treated (FRT) Clothing.

Savings Clause

Proposals shall not apply on any property where they are already in effect, or where more beneficial provisions are already in effect.

Me-Too Clause

Union shall have right to select superior compensation, benefits or rules negotiated by any other union during this round.

Agreement Duration

Five years.

The Organization reserves the right to amend or modify these proposals and/or to make additional proposals to the extent permitted by law.

ATTACHMENT "B"
HEALTH & WELFARE

Railroad Employees National Health and Welfare Plan GA-23000

Eligibility -

- (1) Provide extended benefit coverage to eligible dependents for one full calendar year following the death of a covered employee.
- (2) Provide extended coverage to furloughed employees for twelve (12) months following the month in which such employees last rendered compensated service or received vacation pay, provided the employer has transmitted at least three (3) monthly payments to the Plan on behalf of such employees prior to furlough. During such 12-month period, the furloughed employee shall be reported under "active" employee status.
- (3) Provide full Plan coverage to an employee who is suspended or dismissed from service, and to his eligible dependents, until final disposition of the matter under the *Railway Labor Act*. Until such final disposition, the employee shall be reported under "active" employee status.
- (4) Provide full Plan coverage to an employee who becomes disabled, and his dependents, until such time as the employee and/or spouse become eligible for Medicare and child dependents reach age 26.
- (5) Eliminate the seven (7) calendar days per month eligibility requirement (the so-called "7-day rule") for benefit coverage under the health and welfare, dental and vision plans.

- (6) Dependents of employees on active military status will be provided full coverage for the length of a standard tour of duty plus 6 months.
- (7) Extend full coverage to step-grandchildren residing with an employee; and any other children placed with the employee by court order or related to the employee by blood and/or marriage.

Autism Spectrum Disorders

- (1) Provide services for Autism Spectrum Disorders without regard to age where benefits don't already exist.
- (2) The Plan shall provide coverage for the diagnosis of autism spectrum disorders and for the treatment of autism spectrum disorders to the extent that the assessment, diagnosis and treatment of autism spectrum disorders are not already covered by the Plan.
- (3) Treatment for autism spectrum disorders shall include, but is not limited to, the care prescribed, provided, or ordered for an individual diagnosed with an autism spectrum disorder by (a) a physician licensed to practice medicine or (b) a certified, registered, or licensed health care professional with expertise in treating effects of autism spectrum disorders. Such coverage shall include but is not limited to: Applied Behavior Analysis Therapy, Speech Therapy, Social Skills Therapy, Occupational Therapy, and Physical Therapy, Psychological, Psychiatric, and Pharmaceutical Care, and Diagnosis and Assessments.
- (4) Coverage for autism shall not be subject to any maximum benefits, nor subject to any limits on the number of visits to a service provider.

Prescription Drug Benefit

(1) Prescription drug co-pays shall be as follows:

- Retail:

Generic – reduce copay to zero;

Brand Name Formulary- reduce copay to \$5.00

Brand Name Non-formulary – reduce copay to \$10.00.

- Mail Order:

Generic –reduce copay to zero

Brand Name Formulary – reduce copay to \$10.00

Brand Name Non-

formulary – reduced copay to \$20.00

(2) Increase the day's supply of medication at retail pharmacies to 30 days. Current 21.

(3) Eliminate dosage/quantity restriction limits where they exist for medications/therapy when the FDA has ruled the medication/therapy is appropriate for one or more medical conditions, i.e., erectile dysfunction drugs.

Coordination of Benefits

(1) Modify the Coordination of Benefits provisions to eliminate the so-called 'non-duplication' provisions and allow reimbursement up to 100% of allowable charges.

(2) Modify the in-network benefits to eliminate copays, deductibles and coinsurance for two married railroad employees and their eligible dependents to allow reimbursement at 100% of allowable charges.

Reasonable and Customary Determinations

(1) Increase the threshold for R&C determinations to the 95th percentile of data selected by the Plan. Current 90%

Hearing Benefits

- (1) Provide an annual hearing benefit of \$4,000 for each covered person. Current \$600

Birth Control/Reversal

- (1) Provide coverage to males under the Plan for voluntary sterilization and/or reversal.

Employee Contributions

- (1) Eliminate all employee cost-sharing contributions.

Employee Opt-Outs

- (1) Increase payments to employees who opt-out of Plan coverage from \$100 per month to \$250 per month.

Dependent Pregnancy

- (1) Provide full coverage for pregnancies of female dependent children where benefits don't already exist.
- (2) Provide full coverage for newborn children of female dependent children through age two (2) – where benefits don't already exist.

Speech Therapy

- (1) Provide services to restore or improve speech for employees and all eligible dependents without regard to age where benefits don't already exist.

Hospice Benefits

- (1) Increase the hospice benefits to reasonable and customary charges for each course of care.

Repatriation Insurance

- (1) Provide medical evacuation and repatriation insurance to cover 100% of the cost for the transportation of a participant and or dependent(s) via air or ground ambulance from any location more than 100 miles from their home or from a foreign country to their home location or a medical facility within 30 miles thereof. Such coverage shall include bed-to-bed service; the cost of a medical escort; travel costs for dependent spouse and/or children; repatriation of mortal remains, including all transportation, logistical and legal arrangements in connection therewith; transportation of baggage and/or belongings back to the home of the participant/dependent; legal services arising in connection with medical situations.

Health Risk Assessment Incentive

- (1) Establish an incentive payment of \$300 for the completion of a Health Risk Assessment as well as the completion of the corresponding bio metric screenings by an employee or dependent age 18 or over.

Managed Medical Care Program (MMCP)

- (1) Reduce all existing co-payments under MMCP by \$5.00 per visit, including emergency room visits.
- (2) Reduce the in-network deductibles to \$100/individual and \$300/family.
- (3) Reduce annual in-network, out-of-pocket maximums to \$500/individual and \$1,000/family.
- (4) Provide out-of-network coverage where benefits don't already exist for:

Immunizations and well-person physical benefits without annual caps to include annual routine physical exams, (including diagnostic testing and immunizations); well-woman visits (including breast examination and/or mammogram, pelvic examination and pap smear); child preventive care given in connection with routine pediatric care, (including immunizations for children as recommended by CDC).

 - Annual prostate cancer screening at no cost to the participant.
- (5) Eliminate the non-notification penalty under the Care Coordination/Medical Management Program for out-of-network services where required.
- (6) Provide for a combined annual patient maximum of \$500 cap for copays for chiropractic and physical therapy services.
- (7) If a participant's primary care physician, treating specialist or other provider, or preferred hospital or facility, terminates network participation due to a contract cancellation with the insurance company providing coverage to the participant, allow the participant to elect coverage under one of the other insurance carrier(s) in that market anytime during the year.

Comprehensive Health Care Benefit (CHCB)

- (1) Provide 90/10 co-insurance under the CHCB plan.
- (2) Reduce the annual deductibles to \$100/individual and \$300/family.
- (3) Reduce annual out-of-pocket maximums to \$1,000/individual and \$2,000/ family.
- (4) Provide annual prostate cancer screening at no cost to the participant.
- (5) Eliminate the non-notification penalty under the Care Coordination/Medical Management Program.
- (6) Provide for a combined annual patient maximum of \$500 coinsurance for chiropractic and physical therapy services.

Managed Mental Health and Substance Abuse Benefit (MHSA)

- (1) Reduce all in-network outpatient co-payments under MHSA for those under MMCP per visit
- (2) Eliminate the non-notification penalty for out-of-network services.

Life/AD&D Insurance

- (1) Increase Active Employee Life Insurance to \$50,000.00.
- (2) Increase Retired Employee Life Insurance to \$20,000.
- (3) AD&D - increase coverage to the following:

TABLE OF COVERED LOSSES AND BENEFIT AMOUNTS

<u>COVERED LOSSES</u>	<u>BENEFIT AMOUNTS</u>
Life	\$50,000
A hand*	\$8,000
A foot*	\$8,000
Sight of an eye	\$8,000

Loss of more than one of the above

in any one accident \$16,000

Paralyzation \$25,000

Loss of sight of an eye means that the eye is entirely blind and that no sight can be restored in that eye.

Loss of a hand means that all of the hand is cut-off at/or above the wrist.

Loss of a foot means that all of the foot is cut-off at/or above the ankle.

**Loss of a hand or foot shall also include the loss of use of a hand or foot even if the limb is still intact.*

Paralyzation means the loss of use of the extremities of the body as a result of an accident, such as, but not limited to paraplegia, quadriplegia, or hemiplegia occurring from a traumatic brain injury.

Not more than \$50,000 will be paid for all covered losses caused by all injuries which are sustained in one accident.

Railroad Employees National Dental Plan (GP12000-A)

Eligibility -

- (1) Provide full Plan benefits to new employees and eligible dependents on the first day of the month following the month in which such employees render compensated service
- (2) Provide full Plan benefits to dependents on the same basis as those under the medical plan, including but not limited to, age 26 without regard to marital status, residence or full-time student status.
- (2) Provide full Plan coverage to an employee and eligible dependent that is suspended or dismissed from service until final disposition under the *Railway Labor Act*.

- (3) Extend dental coverage for retirees and their eligible dependents until the employee reaches age 65 or becomes eligible for Medicare, whichever is the latter.

Benefits

- (1) Eliminate the annual deductible.
- (2) Increase the annual maximum to \$4,000.00.
- (3) Increase Type B coverage to 100%.
- (4) Increase Type C coverage to 75%.
- (5) Increase orthodontia benefit to 75% with a maximum of \$4,000.00.
- (6) Provide orthodontia coverage to all employees and covered dependents regardless of age.
- (7) Eliminate the alternate treatment provisions of the Plan.

Railroad Employees National Vision Plan

Network -

- (1) Provide full Plan benefits to new employees and eligible dependents on the first day of the month following the month in which such employees render compensated service.
- (2) Provide full Plan benefits to dependents on the same basis as those under the medical plan, including but not limited to, age 26 without regard to marital status, residence or full-time student status.

In-Network Benefits -

- (1) Increase the frame allowance to \$250 per calendar year.
- (2) Provide full coverage for the following options:
Scratch Coating
UV Protection

Anti-Reflective Coating

Photochromic Lenses

Progressive Lenses

- (3) Increase the allowance for contact lenses to \$250 per calendar year.
- (4) Provide full coverage for corrective eye surgery, including but not limited to laser eye surgery, to correct vision in one or both eyes.
- (5) Eliminate lens exclusions for oversized lenses.

Hospital Associations

- (1) Amend the “Dues Offset Formula” to provide that Hospital Association dues offsets will be increased by the same percentage that Plan costs increase for a given year. Thereafter, adjustments, if any, shall be made annually on January 1st of each subsequent year.
- (2) The so-called pick-up and/or runout liability fees for any employees (or dependents, if applicable) transferring from Hospital Association Railroads to Non-Hospital Association Railroads and/or transferred from Non-Hospital Association Railroads to Hospital Association Railroads will be borne by the Railroads.
- (3) Disabled or Retired Hospital Association members whose coverage is disrupted for any reason other than non-payment of Association dues will be allowed to enroll in the Railroad Employees National Early Retirement Major Medical Benefit Plan (GA-46000) without penalty provided they would have met the eligibility requirements at the time they retired.
- (4) Treat Dependent Spouses covered as Employees under a Hospital Association Plan the same as two married railroad employees covered under the Plan who are not covered under a Hospital Association Plan.

- (5) Allow for coordination of benefits for employees and eligible dependents between the Hospital Association and the National Plan to provide for annual family deductibles and out-of-pocket amounts not to exceed those amounts agreed to under the National Agreement.

Supplemental Sickness Benefit Plan

- (1) Amend the provisions of Aetna Supplemental Sickness Benefit Plan to provide the following effective January 1, 2020: Amend the Plan so that the combined benefit limits payable under the Plan are 90% of the employee=s regular daily rate, including payments from the Railroad Retirement Board, if eligible.
- (2) Remove the requirement that employee must be eligible for Railroad Retirement sickness benefits in order to qualify for benefits hereunder.
- (3) Amend the Plan to change the maximum duration for the payment of benefits to 18 months from 12 months.
- (4) Employees will be eligible for these benefits after three months of service, regardless of eligibility for Railroad Retirement sickness benefits.

Transgender Coverage

Provide full benefits and coverage to employees and eligible dependents for gender reassignment surgery.

National Health Legislation

- (3) In the event that further national health legislation should be enacted, benefits provided under The Railroad Employees National Health and Welfare Plan, The Railroad Employees National Early Retirement Major Medical Benefit Plan, The Railroad Employees National Dental Plan and The Railroad Employees National

Vision Plan with respect to a type of expense which is a covered expense under such legislation will be integrated so as to avoid duplication, and the parties will agree upon the disposition of any resulting savings.

- (4) Should national health legislation repeal or eliminate any health care coverage or individuals provided under the Plan, such coverage and individuals will continue to be covered without regard to national legislation.

General

- (1) The JPC shall be joint policyholders and will jointly participate in the selection of the insurance company or companies or other administrators required to administer all benefit Plans covering employees subject to this Agreement, shall jointly determine the plan benefits needed to meet the changing needs of the employees and otherwise jointly administer all of the Plans' activities. The Joint Plan Committee shall oversee and administer the Railroad Employees National Health and Welfare Plan, the Railroad Employees National Early Retirement Major Medical Benefit Plan, the Railroad Employees National Dental Plan, the Railroad Employees National Vision Care Plan, the various plans established to provide supplemental sickness benefits to covered employees and any and all plans which may hereafter be developed or introduced to provide health and welfare benefits to active and retired employees and their eligible dependents.
- (2) Eliminate the exclusion of benefits for treatment by a family member who is otherwise a qualified provider, from any and all plans containing such exclusion.

ATTACHMENT "C"

COMMON SHOP-CRAFT RULES

Differentials-Establish or Increase

Amend the Agreement to Provide for the following differentials:

Shift Differential

- a. Provide for 10% of base hourly rate paid on all hours worked on 2nd shift or trick.
- b. Provide for 15% of base hourly rate paid on all hours worked on 3rd shift or trick.
- c. Provide for 10% of base hourly rate paid on all hours worked on weekends.

Certification Pay

Amend to reflect 10% per day for employees required to have one or more of the following certifications or performing the following duties: Journeyman Licensed Electrician, Lead, Trainer/Instructor, ATC, PTC, HVAC/EPA, QMP, RWP, CDL, FCC, CET, HOS/Safety sensitive/Cab Signal, Driver's License, Crain Inspection, Physical Characteristics, Book of Rules, High voltage, welding. Percentage to be rolled into the hourly rate when calculating overtime.

Contracting Out

Except in emergencies, employees will perform all IBEW recognized work including all normal and routine maintenance.

A penalty of 100% will be applied to all sub-contracting of work performed on or off the property.

Meal Allowance

Employees required to work more than three hours beyond their bulletined working hours will be allowed reasonable time off with pay for a meal period. A meal allowance of \$25.00 shall be granted to the employee which will be received with his regular pay.

Negotiated Break Time

Add two 15-minute paid breaks for every shift beginning 2.5 hours after the start of the shift and 2.5 hours before the end of the shift.

Classification of Work

Amend the Classification of Work Rule to include photovoltaic work and computer work associated with diagnostics and repair.

Training Reimbursement

Establish a rule to reflect all training to be paid at the straight time rate of pay for attending related training sessions held during their regular shift. Employees who receive related training outside their normal hours shall be paid at the time and one-half rate of pay, including travel time. For those who are required to travel will be paid mileage from the time they leave at their designated home point to the home training facility and back to the home location. Mileage will be paid at the IRS allowable rate.

Recertification

Amend the Agreement to reflect, when an employee is required to obtain recertification, the carrier will make the necessary arrangements for the employee to attend prior to expiration. Failure to do so will require the employee to remain on the position without loss of wages.



Robert S. Karov
Vice President
Labor Relations

BNSF Railway Company
P. O. Box 961030
Ft. Worth, TX 76161-0030

2500 Lou Menk Drive
Fort Worth, TX 76131
Phone: 817-352-1020
Fax: 817-352-7319
Rob.Karov@bnsf.com

November 1, 2019

Mr. Mark S. Klecka
General Chairman
IBEW
7306 SW 34th Ave, Ste 1 - 371
Amarillo, TX 79121

(ALL VIA UPS OVERNIGHT)

Dear Mark Klecka:

This is to advise you that BNSF Railway has joined with other railroads in authorizing the National Carriers' Conference Committee (NCCC) to represent them with respect to the 2020 wages, rules and benefits round of collective bargaining on a concerted national basis with respect to their employees represented by your organization.

In that connection, enclosed as information is a copy of a letter from Mr. Brendan Branon, Chairman of the NCCC, to IBEW, serving a Section 6 notice (also enclosed) on behalf of the carriers represented by the NCCC and notifying him of the intention to handle that notice nationally, concurrently with any Section 6 proposals that may be served by your organization.

Yours very truly,

A handwritten signature in black ink, appearing to be "Rob Karov", written over a horizontal line.

Rob Karov

Enclosures

cc: Brendan Branon
Sam Macedonio
David Isom

NATIONAL RAILWAY LABOR CONFERENCE

251 – 18th STREET, SOUTH, SUITE 750, ARLINGTON, VA 22202 / TELEPHONE: 571-336-7600 FAX: 571-336-7605

BRENDAN M. BRANON
Chairman

JEFFREY F. RODGERS
Vice Chairman

MATT HOLT
Director of Labor Relations

November 1, 2019

VIA FEDERAL EXPRESS AND ELECTRONIC MAIL

Mr. William T. Bohne
Director, Railroad Department
International Brotherhood of Electrical Workers
900 Seventh Street, N.W.
Washington, DC 20001-3886

Dear Mr. Bohne:

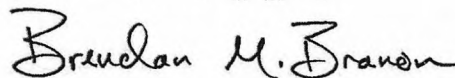
The rail freight carriers represented by the National Carriers' Conference Committee (NCCC) for the 2020 wage, rules and benefits round of collective bargaining intend to bargain on a concerted national basis with respect to their employees represented by your organization, as has been the case generally in all past bargaining rounds since the 1930's. Those carriers have authorized NCCC representation by duly executed powers of attorney and are listed in Attachment A hereto. That list will be supplemented from time to time as additional carriers authorize representation by the NCCC in national handling with respect to your organization.

Attachment B comprises a notice served nationally on your organization on behalf of these carriers pursuant to Section 6 of the Railway Labor Act. It is served upon you as the national representative of your organization and the carriers propose it be handled nationally and concurrently with any Section 6 proposals that may be served by your organization.

We believe that national handling represents the best opportunity for your organization and the freight railroads to manage our way to and through the next round of collective bargaining in a manner that serves the mutual interests of our respective constituents and their separate interests as well.

For convenience and expedition, we propose that initial conferences be waived on our notice and any notices that may be served by your organization. Please contact me so that we can schedule a date and time to meet.

Yours very truly,



Brendan Branon

Attachments

cc: All NCCC-represented carriers

ATTACHMENT A

**CARRIERS REPRESENTED BY NATIONAL CARRIERS' CONFERENCE
COMMITTEE WITH RESPECT TO
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS**

The Belt Railway Company of Chicago
Bessemer and Lake Erie Railroad Company d.b.a. C.N.
BNSF Railway Company
Consolidated Rail Corporation
CSX Transportation, Inc.
Delaware & Hudson Railroad Company d.b.a. C.P. - 2
Gary Railway Company - 1
Grand Trunk Western Railroad Company d.b.a. C.N.
Illinois Central Railroad Company and Chicago, Central & Pacific Railroad Company d.b.a. C.N.
Indiana Harbor Belt Railroad Company
The Kansas City Southern Railway Company
 Kansas City Southern Railway
 Louisiana and Arkansas Railway
 MidSouth Rail Corporation
 Gateway Western Railway
 SouthRail Corporation
 The Texas Mexican Railway Company
 Joint Agency
Norfolk Southern Railway Company
 The Alabama Great Southern Railroad Company
 Central of Georgia Railroad Company
 The Cincinnati, New Orleans & Texas Pacific Railway Company
 Georgia Southern and Florida Railway Company
 Interstate Railroad Company
 Tennessee, Alabama and Georgia Railway Company
 Tennessee Railway Company
Northeast Illinois Regional Commuter Railroad Corporation (METRA) - 2
Northern Indiana Commuter Transportation District - 2
Soo Line Railroad Company d.b.a. C.P. - 2
Terminal Railroad Association of St. Louis
Union Pacific Railroad Company
Wisconsin Central Ltd. d.b.a. C.N.
Wisconsin Central Ltd. as successor to Duluth, Missabe & Iron Range Railway d.b.a. C.N.

* * * * *

Notes:

1 - Health & Welfare only

ATTACHMENT A
IBEW
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2 - Health & Welfare and Supplemental Sickness only

The American railroad industry has survived for more than a century because of its ability to adapt and innovate in the face of unrelenting challenges. The industry has persisted through economic downturns, wars, fierce competition, and periods of crushing regulation by investing in and implementing new technologies, operating procedures, and business lines. Workplace changes resulting from these advances have not always been embraced at the bargaining table, but those changes have ultimately benefitted railroads, our people, and the industries and communities we serve. We have been able to provide, even in the face of these systemic changes, amongst the very best pay and benefits of any jobs in our economy. And the industry has done this while building and operating a vibrant transportation system that is the backbone of our economy and an extremely safe and environmentally-friendly means of shipping freight.

We move forward at the bargaining table today with previously unfathomable technologies now proven and scalable in ways that can make our system better and safer. Drones, ultrasound, smart sensors, software advancements, big data – these technologies and others, led by the implementation of Positive Train Control (“PTC”), are the modern-day fuel of America’s freight rail network. Together with our strong cultures, these technologies are delivering the safest era ever for U.S. railroads. To secure a future that is even safer, the railroad industry believes we must embrace these new technologies and work together to implement them.

Many current economic forecasts call for long-term increases in freight demand, and the opportunity exists to win a greater share of the growing global marketplace for freight. Yet railroads must overcome unrelenting pressure from customers and powerful economic forces to price our services to the market – not to our costs – to retain our current traffic levels and capture

new business. Significant challenges to our success include the decline of coal, advancements in trucking, the increasing long-term exposure of our manufacturing and agriculture sectors to global competition, the continued shift towards a services-oriented economy, changes in customer supply chain strategies that require faster and more reliable scheduled service, and renewed threats of increased regulation. Entrenching ourselves in outdated approaches and failing to fully utilize new technologies will diminish our ability to resist these pressures and forces.

This industry has typically lagged behind the rest of the industrial world in adapting workplace practices to new technologies. This approach has only delayed and limited the available options to respond when changes must occur. To meet our challenges head on, we must modernize all aspects of our business, including the terms and conditions of employment. In particular, certain work rules – across all crafts – have not been updated at the national bargaining table for decades. These anachronistic provisions fail to account for modern technology and impede rather than support the timely delivery of freight. Some of these rules also degrade rather than enhance employee quality of life. Reform can and should result in safer workplaces, better and more predictable schedules, greater access to technology, and a wider range of jobs with less travel. Securing a future with leading pay, benefits and healthcare can and will remain part of this employment model if we succeed in meeting these challenges.

We also need to continue the process of modernizing the health and welfare benefit plans that cover our people and retirees. The plans continue to have an outdated design, including the lack of any tiered employee monthly contributions for spouses and dependents, as well as the lack of a mechanism for annual adjustments to employee cost-sharing to keep pace with increasing health care costs. As a consequence, the plans remain extraordinarily rich when

compared to employer-sponsored health benefits typically offered to the American workforce. The richness of the plans fosters an environment within which covered employees and their dependents are not sufficiently engaged in managing their healthcare choices. This lack of engagement leads to poor health decisions and overutilization of health services. As a result, we are not producing good health outcomes and behaviors while still facing health care expenditures that are well outside the mainstream.

Modernizing our agreements is critical to the railroad industry's long-term ability to compete and provide job security. We cannot ignore external competitive pressures and carry on as if past financial performance is simply guaranteed in the future. The security and prosperity of the entire railroad community depends on our continued ability to innovate, adapt, and manage our labor costs in a responsible, measured manner. It is in our long-term interest – labor and management alike – to continue to work together toward a future of stable employment, leading pay and benefits, and safe, efficient service.

The railroads' bargaining proposals – which are based on the foregoing principles – include the following:

1. Wages and Compensation

Adjust wages and/or other compensation to achieve a fair and competitive labor cost structure that reflects the economic conditions of the railroads and (1) accounts for the history of prior wage increases that have resulted in compensation that is significantly above average for comparable positions, and (2) better corresponds to pay levels of positions of comparable skills in other industries. Align compensation elements with work actually performed, and modify any existing incentive compensation arrangements, where applicable, to better align pay with the needs and goals of railroad operations. Any wage and compensation adjustments shall be

effective only upon the date of signing of a new agreement. In other words, such adjustments will not be back-dated or be calculated retroactively from the amendable date of current agreements.

2. Health and Welfare

The railroads seek to modernize the health care plans' design and administrative practices and make available resources to enable covered employees and their dependents to better engage in their own healthcare decisions. Specifically:

- Increase member cost-sharing to establish an actuarial value that reflects the mainstream health plan design.
- Introduce a tiered employee monthly contribution structure and add surcharges for working spouse enrollment and tobacco use.
- Implement a mechanism to maintain the agreed-upon actuarial value and total cost-share split in the future (i.e., annual “indexing” or elimination of fixed co-pays).
- Adopt all pharmacy management rules and programs to ensure appropriate medications are being prescribed.
- Reconfigure the medical vendor network to utilize networks with favorable provider discounts and overall cost of care.
- Offer digital health programs to improve member engagement in health care decisions, increase use of value-add programs, and to help members manage chronic health conditions.
- Establish additional direct relationships with centers of excellence to ensure members have the best care available for serious and complex conditions.
- Amend ERMA to mirror the active plan design for pharmacy benefits and to require

monthly retiree contributions.

- Require additional payments from employees to account for any delayed implementation of plan changes agreed to by other unions.

3. Work Rules

The prior two national bargaining rounds have concluded without any major changes to work rules, and some work rules have not been updated at the national bargaining table for decades. In this round, the railroads are seeking changes to rules that restrict flexibility, impede efficiency, degrade the industry's ability to compete, and no longer reflect mainstream standards.

While the railroads' proposed work rule reforms cover all crafts, the impact of those proposals may vary by craft and include the following:

- Changing various provisions that limit subcontracting flexibility in areas that are not core to our operations, do not align with the best deployment and utilization of our skilled employees, impede our ability to perform regular maintenance and repair and respond promptly to unexpected events that can create further risk to operations, and impose significant additional cost, delay and operational impact throughout our network.
- Updating provisions that restrict management discretion over the assignment of work or that continue to allow for antiquated methods of distribution of work assignments or that are inconsistent with the need to support 24/7 operations. Additional discretion in these areas would add flexibility over which crafts (as well as employees with certain qualifications within a craft) may perform work in various circumstances, when such work may be assigned and performed, the duration of time the work may be performed, and the circumstances under which work rules may be relaxed to meet customer demands. Likewise, modernizing assignment procedures – including through use of

electronic bidding – will provide benefits for both carriers and employees.

- Simplifying carrier agreements, consolidating multiple legacy railroad contracts within the same workgroup, reducing methods of payment calculation, and accelerating when certain operational changes may be implemented. By simplifying these provisions, railroads will bring these aspects of existing agreements into greater alignment with mainstream business practices and eliminate or revise outdated, unnecessary, and/or overly complex agreement language, pay systems, and notice rules.
- Eliminating or revising other work rules that inhibit efficient operations and modernizing outdated agreement terms to correspond to current standards in American transportation industries, including relaxing arbitrary geographical limits on work performed by train crews, allowing for greater flexibility to timely deploy well-trained teams to critical projects, and sunsetting excessive forms and lengths of furlough protections not enjoyed elsewhere in U.S. industries.

4. General Contract Reform

In addition to the foregoing proposals, make all necessary changes in contracts, rules and practices to improve operational efficiency and productivity, simplify and streamline existing contracts and contract language, facilitate the gradual elimination of redundant or unnecessary positions, reduce time paid but not worked, enhance safety, enable expanded use of technology, and otherwise reflect the competitive and financial needs of the industry as well as the mutual interest of the carriers and their employees in responsible, stable, enduring, and fair rules, rates of pay, and working conditions.

5. Duration and Moratoriums

Provide for agreement of sufficient duration to facilitate labor stability and predictability.

Adopt moratorium similar to that contained in the last national settlement. Replace any extant moratorium in local agreements with single, consolidated moratorium.

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The carriers reserve the right to amend or modify these proposals and/or to make additional proposals to the extent permitted by law.