President's Update on National Negotiations

- Carriers' November 1, 2004 Section 6 Notice to BLET and UTU proposes a single craft consolidated position known as "transportation employee". They want the right to determine crew size based on operational needs, and possible arbitration to determine work equity between operating employees. Absent an agreement on staffing/consolidation, the Carriers propose that compensation of the entire crew will not exceed what they determine is needed for a given operation. Compensation to be divided equally among crew members.
- At beginning of negotiations UTU also had a "single craft" petition on UP Railroad before NMB.
- BLET joined Rail Labor Bargaining Coalition (RLBC) with understanding from all RLBC members that staffing/consolidation issue proposal in Carrier's Section 6 Notice would be handled by BLET separate from rest of RLBC negotiations. All agreed.
- Carriers question if BLET could even make an agreement on staffing/consolidation given that BLET
 was part of RLBC. They were assured that BLET retained the right to protect engineers' interest on the
 staffing/consolidation issue and if agreement the membership would approve was reached it could be
 ratified separate from the rest of RLBC package.
- At every RLBC negotiating session Carriers told Federal mediators that no progress is being made and the parties should be released. Carriers wanted to force all issues to PEB. To date not one issue has been resolved with any organization.
- BLET met with other IBT representatives separate from RLBC to address Carriers Section 6 Notice on staffing/consolidation. Discussions were off the record with understanding they could not be used by either party in any other forum, e.g., arbitration or PEB. Carriers were meeting with UTU in same time period and played one organization against the other offering representation of their proposed "transportation employee", as the carrot. The BLET team spent a lot of time trying to anticipate what UTU may be doing and we found out later UTU was doing the same as us.
- Given at the time there was no dialog or trust between the operating organizations, both were trying to grab the proposed work for their members. BLET did not want to end up in the same place as we did with RCO.
- In order to determine if there was a way for BLET to make sure the engineer position would be the so-called surviving craft or "last man standing", we discussed the Carriers' proposed operation, technology, protection and what the engineer would be expected to do if the BLET was the organization the Carrier's would contract with. All with the intent of protecting BLET members right to work now and in the future.
- At the November, 2005 meeting, Carriers said they did not believe they needed to talk to BLET anymore on the staffing/consolidation issue. At the very next meeting on December 13, 2005 they changed their position after UTU meetings and offered BLET a hand-written proposal to be the surviving craft. The proposal had strings attached and was contingent on other negotiations or PEB decisions.
- Prior to receiving Carriers' December 13, 2005 proposal we had sent UTU a letter requesting we work
 together on the staffing/consolidation issue. They rejected our offer with a letter that included a laundry
 list of things they felt BLET had done against them in the past. BLET chose not to circulate the letter
 because of behind the scenes contact with UTU by mutual friends who believed there may still be a way
 to work together.

- The Carriers gave BLET until the February, 2006 meeting to let them know if we would proceed
 pursuant to their December 13, 2005 proposal. On Friday, January 20, 2006 I made a personal call
 to UTU President Paul Thompson and at the end of our conversation we agreed to meet together with
 other representatives. We had a meeting the next Monday evening and decided to work together to
 protect all operating employees.
- When UTU agreed to work together with us on staffing/consolidation, we backed away from other options. That is the only reason we backed away regardless of what you may hear.
- During our discussion with UTU it became obvious we were both being offered the same work if we
 would join the Carriers against the other organization just like the Carriers arranged in the RCO
 situation. The Carriers were again proposing it would be two against one in PEB and they did not really
 care who the odd man out would be.
- On January 27, 2006 BLET and UTU issued a joint letter stating we are working together to protect both of our members' jobs, security and safety. Even if at some future date we end up in a PEB, operating unions will stand together to get the best possible outcome for operating employees.
- UTU withdrew their single craft petition on UP.
- While some may question the process, the outcome could not be better for operating employees: both operating unions working together to address the Carriers' proposal on staffing/consolidation, all Rail Labor working together through RLBC to get a well deserved raise in pay and address H&W.

Statement of Facts

- As a matter of information, I was very serious about protecting BLET members' rights to work now and in the future. We discussed Carriers' notice and various ways to address operations if PTC became a proven product with the expressed intent to make sure BLET members would be the so-called last man standing. I make no apologies for doing so. In fact, I firmly believe that it is my duty to protect BLET members and our Union. Those who believe we were close to making an agreement are wrong or simply do not understand negotiations. While Carriers' December 13, 2005 proposal says "additional compensation to be negotiated," we never got that far.
- Without an understanding with UTU to work together, we would still be attempting to find a way to protect our interests. Engineer skills and certification did no protect our jobs in the RCO case and there is no assurance FRA will not again modify certification rules to address Positive Train Control in the future.
- Setting back and just saying No has never worked for engineers and in my opinion it will not work this time unless all operating employees stand together.
- Future dates for negotiations have been scheduled as follows:

June 13-15, 2006

September 13-14, 2006

October 11-12, 2006

November 8-9, 2006

December 4-5, 2006

Don M. Hahs National President

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