

CIRCULAR LETTER NO. 13

July 14, 2004

TO ALL LOCAL CHAIRPERSONS:

Dear Sirs and Brothers:

As an on-going process - in the General Chairman's office, we send out Circular Letters as circumstances dictate in regard to issues that are of importance to all of our Membership. We are requesting that you read these documents at your Union Meetings for the Membership's benefit and also place them on bulletin boards for those Members who cannot attend the Union Meeting. Incorporated below are issues of importance for our Membership.



Service Scale: In accordance with Article VI, Section 1 of the August 20, 2002 UTU National Agreement, all employees covered under the UTU contract progressed to 100% entry rate on July 1, 2004.

“ARTICLE VI - SERVICE SCALE

Section 1

Any employee who is subject, on June 30, 2004, to Article IV, Section 5 of the UTU Implementing Document A of November 1, 1991 shall be compensated, on and after July 1, 2004, at the full rate of the position when working as a conductor/foreman, brakeman/helper, hostler, or engineer (on the carrier party hereto on which the UTU represents locomotive engineers).”

Section 3 of Article VI - Service Scale requires the Carrier to make arrangements with the UTU representative(s) to review such preexisting rules prior to the establishment of the service scales for employees hired on or after July 1, 2004.

“Section 3

Each carrier covered by this Article shall establish a Service Scale that shall be applicable to all employees whose seniority in train or engine service is established on or after July 1, 2004. Such Service Scale shall conform to the rules in effect on such carrier on June 30, 2004 that adjust employee compensation based on length of service

(including the aforementioned Article IV, Section 5 where and to the extent applicable). The Carrier shall make arrangements with the applicable organization representative(s) for a process to review such preexisting rules prior to establishment of the Service Scale.”

This General Committee proposed to the carrier a service scale intended to promote recruitment and stability in the workforce. The following was proposed:

ENTRY RATES

Service First 12 Months

Employees entering service on and after July 1, 2004, shall be paid as follows for all service performed within the first twelve (12) calendar months of service when working in a capacity other than Conductor, Foreman, Footboard Yardmaster, Yardmaster, Car Retarder Operator or Engineer:

- (a) For the first twelve (12) calendar months of employment, new employees shall be paid 90% of the applicable rates of pay (including COLA).
- (b) Employees working in the capacity of Conductor, Yard Foreman, Footboard Yardmaster, Car Retarder Operator, or Engineer shall be paid 100 % of the rate of the position worked.

The carrier rejected the Committee's proposal under date of June 24, 2004, choosing instead to implement the service scale rates which were in effect on June 30, 2004 for those employees establishing seniority on or after July 1, 2004.

All corrections to payroll are scheduled to be completed on July 9, 2004, for those employees progressing to 100% rate. If individual employees have issues with the rate progression please contact the timekeeping department.

BLET/Teamster Attempted Raid

The BLET/Teamster organization has initiated a raid on the membership of the UTU. Each BLET officer has been mailed copies of the "UTU enlistment brochure". This pamphlet is nothing more than a list of half-truths and outright lies intended to mislead and deceive rail employees as to the intent and goal of the BLET/IBT. The BLET members are instructed to

distribute these materials among the UTU members and solicit their membership.

The IBT touts "A tradition of successful representation of transportation industry workers..."

The membership figures tell a different tale. Following the latest IBT blunder which resulted in the loss of 1,500 union jobs at USF Red Star, Traffic World magazine reported:

"Red Star's demise marks a loss of another couple of thousand Teamsters-covered jobs in freight. The union is down to about 60,000 freight-covered jobs (mostly at Yellow Roadway), having lost more than 500,000 freight jobs since the Motor Carrier Act of 1980." (May 21, 2004, pg 33)

USF trucking shut down the 1,500 member Red Star unit in response to an ill-advised IBT strike over fifteen (15) unorganized office workers. The Holland division of USF has rushed to expand into the territory formerly occupied by their own Red Star unit. The IBT "successfully represented" the former Red Star employees, allowing about 500 to be rehired by USF Holland as new hires, subject to probation and entry rates. As part of the agreement the IBT agreed to a "no strike" clause related to organizing drives. Congratulations IBT!!!

The "enlistment brochure" offers the UTU member nothing they do not now enjoy, and threatens them with the loss of representation. The pamphlet states: "The BLET-Teamsters will maintain a Trainmen Department with autonomy to assist Local Committees and General Committees to negotiate and enforce Trainmen's agreements..."

In other words, the proposed Trainmen's Department will have no authority, and will not even negotiate for the trainmen craft, only "assist" in some unspecified manner those committees currently representing engineers. This echoes the procedure utilized on VIA Rail in Canada, where the BLE negotiated agreements to enhance the engineer's position, and totally eliminate the trainmen positions. A review by the Canada Industrial Relations Board branded the BLE actions as "improper collaboration" with the carrier resulting in the loss of hundreds of trainmen jobs. The Board said "the BLE failed to uphold a reasonable standard of competence in representing its members and, in this regard, is accountable to them for its shortcomings."

Advise your members to reject the false promises made by the BLET/IBT. Refer them to the 779 trainmen claim files allowed to expire under time limits by the CNW/BLE general committee. (Circular No. 12, 5/27/04) This is the caliber of representation the BLET offers.

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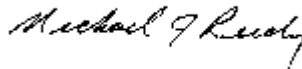
If unity is the goal, advise the BLET to reject the Teamster merger, and pursue the unification initiative with the UTU.

 **IDR Service Chicago-Twin Cities**

On July 17, 2004, the carrier intends to initiate interdivisional service between Chicago and the Twin Cities. The affected UTU locals ratified an agreement for the new operation. The BLET/IBT failed to ratify an agreement, and arbitrated the issue on July 8, 2004. The neutral issued an order granting the carrier the right to implement the new service, with a written award to follow. The UTU represented employees will enjoy significant benefits included in the UTU agreement, whereas the BLET represented employees will be working under the standard conditions contained in Article IX of the May 19, 1986 BLE National Agreement.

Trusting this information will aid you in keeping our Membership informed of issues confronting us and with best personal wishes, I remain

Fraternal ly yours,



Michael J. Reedy
General Chairman, G. C. A.

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Attachments

cc: Paul Thompson, International President - UTU
Rick Marceau, Assistant President - UTU
Dan Johnson, III - General Secretary/Treasurer - UTU