

CIRCULAR LETTER NO. 1

January 7, 2005

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.

Insurance Coverage, Ebb and Flow Employees:

In accordance with an Agreement reached between the Presidents of the UTU and the BLET, the health and welfare coverage for employees who ebb and flow between train and engine service is determined as follows:

“For calendar year 2005, an ebb/flow employee’s health and welfare plan enrollment will be based on his/her preponderance of service in train and engine service during the twelve-month period July 1, 2003 through June 30, 2004. Preponderance of service will be determined by a comparison of the employee’s payroll earnings attributable to train and engine service, respectively, during that period. The employee will be enrolled in the NRC/UTU Plan if train service earnings exceeds fifty (50) percent of total train and engine service earnings for the period, and in the National Plan (or NRC/BLE Plan, if in effect) if engine service earnings exceed fifty (50) percent of total train and engine service payroll earnings. The same methodology, using train and engine service payroll earnings during the immediately preceding twelve-month period of July 1 through June 30, will be utilized to make subsequent annual determinations of plan enrollment for calendar years after 2005. An ebb/flow employee’s plan enrollment in a particular calendar year is not altered by his/her movement between train and engine service during such calendar year.”

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In accordance with the above, an employee whose preponderance of earnings were in train service is covered under the UTU Plan for calendar year 2005; if the preponderance of earnings were in engine service, the BLET Plan would apply. In subsequent years, an employee may elect to continue in the same Plan, regardless of earnings.

ES **BlueCross BlueShield Provider:**

The benefit administrator for the BlueCross BlueShield Plan is Highmark of Pittsburgh, PA effective January 1, 2005. Employees may contact Highmark at 1-866-267-3320.

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.

MJR: j g

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