

National Freight Railroads Bargaining Update

February 16, 2018

IBEW Members Reject Railroad Tentative National Agreement

Mediation to Resume

IBEW Railroad members covered under the National Freight Agreement rejected, by a very slim margin, the December 2017 tentative agreement. The votes were tallied on Wednesday, February 7th by the IBEW Railroad Department with the assistance of the Railroad General Chairmen from System Councils 2, 6, 7, and 16. Observers from five Railroad Locals also participated in the count. The National Mediation Board and the railroads have been notified of our decision, and we are in the process of setting up dates to resume mediation.

6,269 ratification packets were mailed out to our Railroad members. Of those, only 3,105 were returned, which means **50% of our railroad members *didn't* return ballots and participate in the process.** And of those 3,105, there were 437 return envelopes that could not be opened because those members couldn't follow the simple "Voting Instructions" and put the necessary information on the return envelopes, therefore voiding their votes. So, in actuality, only 42.5% of eligible members voted on their future. Such participation is very dismal and disappointing to say the least. The total vote count was 1,253 in favor of the contract, and 1,415 opposed.

In President Stephenson's January 5, 2018 letter that was sent out with the tentative agreement, he explained what would follow if the tentative agreement was rejected. However, we'll explain it here again. As stated earlier, we are now setting up future mediation sessions with the NMB and the railroads. If we can't reach an agreement, we will then petition the NMB to release us from the mediation process. When and if they decide to release us, they will give us a proffer of binding arbitration, which we and the railroads will have 10 days to accept or reject. If either party rejects arbitration, then a 30-day cooling-off period will begin, at the end of which we will be able to strike and the railroads will be able to impose new wages and working conditions on

our members. It is during this period that Trump can step in and appoint a Presidential Emergency Board (PEB) to investigate our dispute and make recommendations for a new contract. Once a PEB is appointed, they are given 30 days (quite often extended for an additional 15 or 30 days) during which to meet and hold hearings, and make their recommendations to the parties. Following release of the PEB report, another 30-day cooling off period begins, at the end of which we again will have the right to strike and the railroads have the right to impose their terms and conditions on our members. However, chances are we still won't be permitted to strike and the railroads still won't be able to impose their terms because this is where Congress has the right to step in, forbid us from striking and the railroads from imposing, and legislates an agreement on us and the railroads, i.e. passes a law that becomes our new contract - usually with the terms recommended by the PEB.

Sisters and Brothers, we're in a difficult situation. While we will go back into mediation/negotiations and ask the railroads to improve their offer to us, the railroads will most likely take the position that a pattern has been set for a new contract, as approximately 70% of the railroad unionized workforce has already accepted agreements based on the same terms that were offered to, and rejected by, us. However, that being said, the railroads may also change what they offer us at a PEB, reverting back to the proposal they put on the table during negotiations in July 2017, something much worse than what we just rejected, including no retroactive pay and more Health and Welfare cost shifting onto the backs of our members. This is the way negotiations work in the rail industry, and usually the way PEBs make their recommendations – based on the established pattern. It's very doubtful that we'll get anything better than the other unions got if we go to a Trump appointed PEB, and the possibility exists that we may get a recommendation that affords us less than the other unions got. The same holds true if our dispute ends up in the hands of Congress.

Our fight for a fair contract for our members will resume when we meet with the railroads on February 21st. But you have to remember, this is not a “start over” - we will pick up where we left off and try to improve on what the railroads last offered us. We will continue to update you as matters progress. And don't forget – the next time we put an agreement out for ratification PLEASE VOTE!! After all, it's your future!