

BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN

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DENNIS R. PIERCE
National President

VIA FACSIMILE AND OVERNIGHT MAIL

November 1, 2017

Mr. James P. Hoffa
General President
International Brotherhood of Teamsters
25 Louisiana Avenue, NW
Washington, DC 20001

Re: Interference with BLET Bargaining Rights and Internal Ratification Process by IBT International Vice President at Large F. N. Simpson

Dear Sir and Brother:

We are writing to follow up and supplement National President Pierce's October 18, 2017 letter to you pertaining to the above-referenced subject, which has been necessitated by more recent events. On October 25th, BMWED published on its website a press release indicating that its National Association officers support the improper interference in BLET's internal process, stating that it is "imperative that our Brotherhood continue to educate *all railroad workers* about any and every tentative agreement that include reductions to our current benefit levels." (Emphasis added). Enclosed is a copy of the release, which can be accessed online at <https://www.bmwe.org/secondary.aspx?id=274>. Soon after that, we were advised by a BLET General Chairman on Union Pacific Railroad that BMWED members hosted an "informational picket" and distributed flyers to BLET members and other non-BMWED members at West Colton, California, and at Yuma and Tucson, Arizona at around the same time the release was published. These events occurred on railroad property at locations where BLET members report for duty, but where BMWED employees do not generally report for work.

Of equal concern is that the leaflets handed out to BLET and SMART-TD members suggest that BMWED has a better agreement than what's being offered to them, when the truth of the matter is that BMWED has no tentative agreement at all. All BMWED has is proposals, and as any seasoned negotiator knows, proposals are often much like Christmas lists. Comparing such a wish list to our Tentative Agreement is a gross misrepresentation of what is possible, plainly intended to convince BLET members to vote against their own interests. Any assertions by BMWED that its activities are only to speak to and educate its own members are patently false. To the contrary, as President Pierce expressed to you more than a week ago, BMWED's top-down campaign is clearly directed to negatively influence BLET's contract ratification process, a glaring example of improper interference in BLET's legal and contractual obligations.

We also are compelled to respond to certain false assertions that are being made regarding the structuring of this round of bargaining. Contrary to what has been circulated, it is absolutely untrue that BMWED was excluded from participation in the Coordinated Bargaining Group. The fact of the matter is that — at a meeting of all the Rail Chiefs in early 2014 before the bargaining round began — President Pierce strongly urged *all* of the Unions, BMWED included, to bargain jointly in a single coalition. Although six Unions including BLET did later agree to bargain together as the CBG, BMWED rejected that invitation. Instead, BMWED set out on its own agenda, inviting two non-IBT Unions to join it, but offering no such invitation to BLET. One of those two non-IBT Unions did join with BMWED, the other rejected that invitation and joined the CBG group. Although there were unconfirmed reports of positions BMWED was advancing at the bargaining table, BLET was not invited to see the details of BMWED's proposal to replace the current health and welfare network structure until May 4, 2016, approximately a year and a half after contract notices had been served on the Carriers. While BLET has not embraced these bargaining positions for many reasons, it must be noted that the value of the savings to the rail carriers that BMWED associates with its own proposals cannot be achieved by BMWED alone. It would require that the same modifications BMWED would make to its members' benefits be made to those of BLET's members and the members of all of the ten other Unions as well. BLET has made no effort to negotiate on any healthcare issue by trading off the value of BMWED members' benefits; the same cannot be said for what BMWED has offered to management.

We must also address the notion that Brother Pierce — as Rail Conference President — has somehow taken any action that would harm BMWED members. His previous letter detailed the fact that the Rail Conference, itself, has no bargaining authority. To our knowledge, he has never done anything in his role as Conference President to initiate or promote any Conference action that would adversely impact or otherwise influence BMWED's bargaining interests. In fact, as Rail Conference President, we understand that Brother Pierce has made multiple motions for Conference financial support of bargaining efforts of both the BLET and BMWED by providing each with subsidies from the Conference Treasury separate and apart from the per capita tax paid to the International Union. As a result of these motions, and without regard to the differing directions taken by the two Divisions, BMWED and BLET have each received \$225,000 from the Rail Conference Treasury between 2015 and now to offset the costs of their own bargaining efforts.

Finally, we must refute the baseless insinuation that the Rail Unions in national negotiations are actually bargaining with the insurance companies that administer the benefits that the industry's National Healthcare Plan provides. The National Health Care Plan is not an off-the-shelf product negotiated with any insurance company; rather it is an experience-based plan negotiated with and primarily sponsored by the railroads. As such, the benefits provided to railroad employees under the National Health Care Plan are negotiated strictly with the employing rail carriers. Levels of coverage and the associated costs to the employees come exclusively from the labor agreements resulting from national collective bargaining between the Unions and the Railroads. The only role the insurance companies play is to provide data when requested by either side, and to then administer the benefits of the Plan that is the product of labor-management negotiations.

Mr. James P. Hoffa

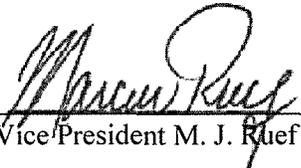
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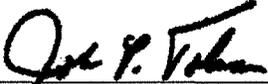
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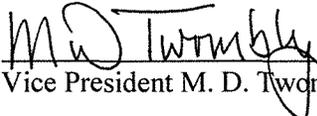
In this regard, the baseless accusations just leveled by a member of BMWED's Executive Board against three BLET National Officers — including National President Pierce — are nothing more than a red herring, and are irrefutable evidence of the depth of the ongoing interference in BLET's internal affairs, as shown by the desperate and unprecedented request that you order a halt to the contract ratification process that is already underway.

Trusting you will find this additional information helpful, and with warmest personal regards, we remain

Fraternally yours,


Vice President M. J. Ruef


VP & NLR J. P. Tolman

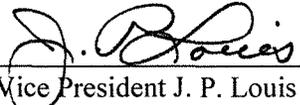

Vice President M. D. Twombly

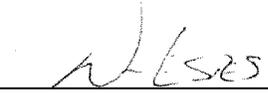

Vice President G. L. Gore


Vice President M. D. Priester

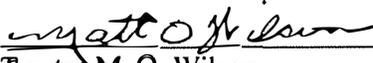

Vice President C. W. Davis

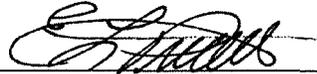

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National President D. R. Pierce


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encl.

- cc: Ken Hall, IBT General Secretary-Treasurer (w/encl.)
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