ALL LOCAL UNIONS
SYSTEM COUNCIL NO. 2

Dear Brothers and Sisters:

The 39th IBEW International Convention was conducted during the week of September 19th through the 23rd in St. Louis, Missouri. I am pleased to announce that fifteen locals under the jurisdiction of System Council 2 were in attendance and represented at the convention. Thus, the delegates of the Convention approved several amendments including Article IX of the IBEW Constitution, of which is outlined in the attached letter from International President Lonnie Stephenson and International Secretary-Treasurer Sam Chilia. Effective January 1, 2017, there will be an increase of two dollars for the IBEW Pension Benefit Fund contribution which applies to “A” members only. The rate for all “BA” members shall remain the same for 2017. Nonetheless, please refer to the attached letter for a summation of all rate changes effective 1/1/2017 through 1/1/2020.

OSHA recently issued new guidelines regarding what is permissible for employers to insist on including in settlements for whistleblower cases. In essence, nothing that can be construed to gag an employee in protected activity (“filling a complaint with a government agency, participating in an investigation, testifying in proceedings, or otherwise providing information to the government.”) is allowed in the future.

The DOL’s Administrative Review Board recently decided that Pan Am Railways unlawfully retaliated against an employee who reported a safety hazard to OSHA and a workplace injury when it subjected him to a formal investigation, even though ultimately the carrier did not pursue the charges. The Review Board assessed Pan Am $250,000.00 in punitive damages and agreed with an administrative law judge that the company “consciously disregarded” and

“Our Business – Representation & Service”
intentionally interfered with the employee's FRSA rights by bringing "baseless and serious charges" against him during the investigative hearing and held that punitive damages were warranted for "punishment and deterrence" of future misconduct.

The National Bargaining/Mediation sessions with the nation's freight railroads were held on September 27th and again on October 25th. As pointed out by IBEW Railroad Director Bill Bohne, the September session was spent primarily discussing various ways to move forward in the area of Health and Welfare, but again, unfortunately we were unable to reach an agreement. The Mediator instructed the bargaining coalition to prepare another comprehensive agreement proposal to present at the October sessions. During the October session, the coalition provided the railroads with an amended proposal and after much discussion the mediator ended the session and instructed the parties to return to the table on December 6th and 7th to discuss the proposal in more detail. Brother Bohne notes that we are doing our utmost to ensure that this round of bargaining ends with the best result possible for our members. He further notes that there are presently three coalitions of Rail Labor unions negotiating with the freight railroads, and our coalition is the only one which has invoked mediation and is the furthest along in the process.

As pointed out in my second quarter report, the freight railroads business levels remain sluggish due to several factors including the decline in coal traffic and ultimately car-loadings. The third quarter levels have slowly been improving with increased car-loadings, the recall of furloughed IBEW members, and the creation of new jobs at several Union Pacific locations. As always, the System Council will continue to monitor and explore opportunities to expand IBEW work and the recall of existing furloughed members.

July 2016

- I attended the meeting and convention proceedings for IBEW Railroad System Council No. 9.

- AGC Shell and I attended the meeting and convention proceedings for IBEW Railroad System Council No. 7.

- AGC Strakjohann assisted Salt Lake City Local 650 with a disciplinary investigation.

- AGC Shell, AGC Starkjohann, and I met with UPRR Labor Relations to discuss District Electrician staffing and possible resolution to the dispute progressed for violation of the District Workforce Agreement.

- The System Council staff and I attended the Shopcraft Coalition meeting
with UPRR personnel.

- The System Council staff and I attended a local chairmen meeting with UPRR Mechanical department personnel.
- AGC Shell met with members and officers of Kansas City Local 1832.
- AGC/ST Shell and I finalized the System Council LM and 990 report filing.

August 2016

- AGC Strkjohann assisted Omaha Local 618 with a disciplinary investigation reinstatement.
- AGC Shell assisted Houston Local 1814 with two disciplinary investigations.
- AGC Shell and I met with the officers of Kansas City Local 1832.
- AGC Starkjohann and I finalized the reconstruction and modification of the System Council 2 website. www.ibewsc2.org
- VGC Tortorice and AGC Reynoso assisted Oakland Local 360 with a disciplinary investigation.
- AGC Shell assisted Kansas City Local 1832 with a disciplinary investigation.
- VGC Tortorice and AGC Reynoso assisted Roseville Local 1682 with a disciplinary investigation.
- The System Council staff and I attended a scheduled staff meeting and preparation for the 2017 System Council No. 2 convention.

September 2016

- AGC Starkjohann attended a claims conference meeting to discuss outstanding discipline cases.
- The System Council staff and I attended the 39th IBEW International Convention in St. Louis, Missouri.
- AGC Shell assisted Houston Local 1814 with a disciplinary investigation.
• AGC Starkjohann attended the monthly meeting for Omaha Local 618.

• VGC Tortorice and AGC Reynoso assisted Local 889 with two disciplinary investigations.

• AGC attended a claims conference with UPRR to discuss outstanding subcontracting disputes.

• The Machinist General Chairman and I continued discussions with Union Pacific Mechanical department concerning furloughed employees and overtime issues in North Platte, Nebraska.

In closing, I would like to point out that we currently have thirty-three (33) discipline cases with UPRR docketed with the National Mediation Board of which we await approval and funding for arbitration. As always, I will notify the claimants and local chairmen accordingly as soon as I am notified with approval.

In solidarity, I remain

                      Fraternally yours,
                      Jim Wisniski
                      General Chairman

Enclosure:  IBEW International President Stephenson and International Secretary-Treasurer Chiliia’s letter to all Financial Secretaries dated September 28, 2016.

Cc:  IVP’s System Council 2
     Bill Bohne, Director of Railroads
     Staff
September 28, 2016

VIA ELECTRONIC MAIL

To: All IBEW Local Union Financial Secretaries

Dear Sisters and Brothers:

The Delegates of the 39th IBEW International Convention, which was conducted in St. Louis, Missouri, during the week of September 19 through 23, 2016, approved several amendments to Article IX of the IBEW Constitution. Accordingly, effective January 1, 2017, there will be an increase of two dollars ($2.00) for the IBEW Pension Benefit Fund (PBF) contribution, which applies to “A” members only. There will be no change in the per capita that is paid to the General Fund, and therefore, the rate for all “BA” members shall remain the same. The following rates will apply to the international office portion of all monthly dues payments for January 2017:

<table>
<thead>
<tr>
<th>“A” Members</th>
<th>“BA” Members</th>
<th>“FP” – fee payers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Capita</td>
<td>$18.00</td>
<td>$18.00</td>
</tr>
<tr>
<td>Pension Fund</td>
<td>$18.00</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Total</td>
<td>$36.00</td>
<td>$18.00</td>
</tr>
</tbody>
</table>

In accordance with Article IX of the IBEW Constitution, $18.00 per month from each member will be deposited in the General Fund, and the additional amount paid by “A” members ($18.00 per month) will be deposited into the IBEW Pension Benefit Fund.

For your reference and information, all of the rate changes that were approved at the 39th International Convention are summarized below:

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>1/1/2017</th>
<th>1/1/2018</th>
<th>1/1/2019</th>
<th>1/1/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Capita</td>
<td>$18.00</td>
<td>$19.00</td>
<td>$19.00</td>
<td>$20.00</td>
</tr>
<tr>
<td>Pension Fund</td>
<td>$18.00</td>
<td>$18.00</td>
<td>$19.00</td>
<td>$19.00</td>
</tr>
<tr>
<td>Total</td>
<td>$36.00</td>
<td>$37.00</td>
<td>$38.00</td>
<td>$39.00</td>
</tr>
</tbody>
</table>

Members who pay their dues in advance must be charged the appropriate rate. Please notify all members in your local union concerning this dues increase. In addition, you must notify the employers to increase their payroll deductions. Local Unions submitting electronic per capita reports must make arrangements to update their software to ensure that the most current version of
To All IBEW Local Union Financial Secretaries
September 28, 2016
Page 2

LaborPower Express or LaborPower software package is installed. It will not be necessary to amend the local union bylaws with respect to this dues increase, because these changes were approved at the IBEW International Convention.

The payment of monthly per capita and Pension Benefit Fund (PBF) contributions to the International Brotherhood of Electrical Workers is a duty that is required of each individual member. Moreover, each financial secretary is responsible for collecting and forwarding all per capita and PBF payments to the international office in a timely manner.

With best wishes, we are

Fraternally yours,

Lonnie R. Stephenson
International President

Salvatore (Sam) J. Chilia
International Secretary-Treasurer

LRS/SJC:smw
Copy to All International Vice Presidents
All International Executive Council Members
All International Executive Assistants and Directors
All International Representatives
All Local Union Business Managers