

Sent: Thursday, November 12, 2015

Subject: Railroad National Negotiations- Mediation Update

Sisters and Brothers,

As I'm sure you are all aware, on Tuesday November 3, 2015, our bargaining coalition held our first "Mediation" session with the National Mediation Board (NMB). This was basically a familiarization meeting with the mediators with them holding a meeting with us in the morning and a meeting with the railroads in the afternoon.

At our meeting with the NMB, we laid out to the mediators the major areas of our latest proposal that we gave to the Carriers during our October 6th negotiating session. On the wage side, we provided them with what we felt was a very reasonable proposal that would provide our members with decent wage increases over the next five years. As to Health and Welfare, we proposed that the Employee Monthly Cost Share remain the same as it is now, at \$198 per month, during the term of the contract. We also proposed minor Health and Welfare plan design changes that would have very little, if any, adverse effect on our members. Our reason for proposing these changes was to show a good faith effort on our part that we fully understand what is going on today with rising health care costs and that we are willing to bend a little. The mediators seemed very receptive and understanding of our position.

We then discussed briefly with them the offer the Carriers had proposed to us in October. We advised them that the Carriers proposal was far too unreasonable and not even close to anything we could agree on, especially in the area of Health and Welfare where they continue to seek substantial plan design changes to shift much more of the Health and Welfare costs onto the backs of our members. Following the morning session with us, the mediators then met with the railroads in the afternoon.

We are trying to be as reasonable as possible with the mediators in the hopes that, in the end, they will see things our way and help facilitate an agreement that we believe is in the best interests of our members. We have monthly mediation sessions scheduled through May 2016. I will continue to keep you apprised of the situation as it unfolds.

Any questions, please don't hesitate to contact me.

Fraternally,

Bill Bohne, Jr.

Director - IBEW Railroad Department

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