

Sent: Monday, December 21, 2015

Subject: Railroad National Negotiations- Mediation Update

Sisters and Brothers,

This is to update you on our Mediation sessions dealing with Railroad National Negotiations held on December 8th and 9th.

The main topic of these sessions was the railroads proposed changes to your Health and Welfare benefits and their reasoning for such changes. As I advised you in my last update, our position remains that the Carriers Health and Welfare proposal was far too unreasonable and not even close to anything we could agree on, especially when they continue to seek substantial plan design changes to shift much more of the Health and Welfare costs onto the backs of our members. In joint mediation sessions, they presented their proposal, and their reasons for their drastic changes, to us and the mediators. Our Health and Welfare consultant was with us during these presentations and, I must say, did a fine job of rebutting all of their reasons for insisting they need drastic change. The railroads are telling us that they want to bring our plan in line with what they call the "main stream" Health and Welfare Plans with companies across the country. Our position is, and remains, that the railroads are not "main stream" companies, but are in the top ten percent profit making business in the country, and therefore our Health and Welfare Benefits should reflect such and should also be in that top ten percent. As far as our coalition is concerned, there is very little, if any, room for compromise in this area. Hopefully following our December meetings the mediators are now seeing things a bit more our way, but it's difficult to be certain about this.

Again 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, with the next being in early January.

However our expectation is that the process will last quite a bit longer than this. 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.
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