

B M W E JOURNAL

THE BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES

CONVENTION ISSUE ■ JULY 8, 2002

WELCOME DELEGATES to the 44th Regular Grand Lodge Convention

It is with pleasure that President Mac A. Fleming and Secretary-Treasurer William E. LaRue welcome you to the 44th Regular Grand Lodge Convention. Grand Lodge staff, officials of the City of Las Vegas and the management of Bally's Hotel will be working hard to see that your stay is a pleasant one.

The Convention will be called to order at 9:00 a.m. today, Monday, July 8, 2002, and will reconvene each day at 9:00 a.m. except for Wednesday when we will convene at 8:00 a.m. for an educational program. The Convention will break for lunch each day from 12 Noon until 1:30 p.m.

Delegates to this convention have an awesome responsibility as they chart the direction of the BMWE for this new millennium. While there will be a lot of hard work as we prepare to meet the challenges of the 21st century together, there will also be some time for well-earned relaxation.

Today and tomorrow (Monday and Tuesday), from 5:30 p.m. to 8:00 p.m., there will be a Hospitality Room sponsored by the BMWE-designated

FELA law firms. All are welcome to stop by Skyview Rooms 5 and 6 for beverages, light snacks and good conversation.

The FELA law firms are also sponsoring a guests' luncheon followed by entertainment on Wednesday, July 10, from 11:30 a.m. to around 3:00 p.m. The luncheon will also be in Skyview Rooms 5 and 6. All spouses and

other delegates' guests are welcome to attend.

On Wednesday evening cocktails and hors d'oeuvres will be served in an informal social setting at a meet-and-greet reception hosted by the International Brotherhood of Boilermakers, Iron Ship

Builders, Blacksmiths, Forgers and Helpers. Everyone is encouraged to stop by Bally's Events Center between 6:00 p.m. and 8:00 p.m. to meet our brothers and sisters from the Boilermakers.

A casual buffet reception with music and dancing will be held on Thursday evening from 7:00 p.m. until midnight in the Grand Ballroom. This reception is hosted by the BMWE-designated FELA law firms.

We are listing below the highlights of the tentative schedule for the week but delegates should see the Official Program included in

their workbook for a more detailed schedule. Any changes to the schedule will be announced on the Convention floor.



MONDAY

9:00 AM

Welcome to Las Vegas
Mayor Oscar Goodman
State of the Union Address
President Mac A. Fleming
State of the Union Address
Secretary-Treasurer William E. LaRue
Keynote Address
AFL-CIO Secretary-Treasurer Richard Trumka

Group Photo

1:30 PM

Committee Reports Begin

5:30 PM - 8:00 PM

Hospitality Room - Skyview Rooms 5 & 6

TUESDAY

9:01 AM

Delegate Registration Closed

10:00 AM

Election of Officers

5:30 PM - 8:00 PM

Hospitality Room - Skyview Rooms 5 & 6

WEDNESDAY

8:00 AM

Introduction to Education Day

8:30 AM

Joint BMWE / Boilermakers Merger Committee Presentation

1:30 PM

Committee Reports Continue

6:00 PM - 8:00 PM

Boilermakers Reception - Bally's Events Center

THURSDAY

9:00 AM

Committee Reports Continue

7:00 PM - Midnight

Casual Buffet Reception - Grand Ballroom

FRIDAY

9:00 AM

Committee Reports Conclude

Memorial Service

Installation of Officers

LUNCH BREAK
12 Noon - 1:30 PM

BMWE and Boilermakers Negotiate New Proposed Merger Agreement

On June 8, 2002 the BMWE reached a new agreement with the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers to merge the two organizations. The new Merger Agreement substantially improves and clarifies the agreement the BMWE membership rejected last year by a slim margin.

In the unanimous opinion of the Merger Committee and most Grand Lodge and system officers, this new proposed Merger Agreement is so beneficial for the membership of the BMWE that there is a duty to inform and educate the membership on the features of this new proposed Merger Agreement. Just as is the case when a contract is rejected, the membership expects the union to go back to the negotiating table to bargain for an improved agreement. Most of the BMWE leadership believes this new agreement — which offers BMWE members substantial benefits that BMWE cannot provide alone — meets the needs and expectations of the membership.

Several major developments have occurred since last year which warranted another look at the

Boilermakers and what they have to offer to the membership of BMWE. First, the Boilermakers reached a tentative agreement with the railroad industry on implementation of the Boilermakers-Blacksmiths National Pension Trust. As of this writing, the Boilermakers were in the process of finalizing the tentative agreement and will be submitting same to their railroad members for a ratification vote in the near future.

This tentative agreement includes a side letter which allows any rail union who merges with the Boilermakers to participate in the Pension Plan under the same terms and conditions as other Boilermakers, without the need to serve a Section 6 (contract demand) notice. This means that should BMWE merge with the Boilermakers, it would only need to negotiate the rate of carrier contributions into the plan. It would not be necessary to negotiate participation in the pension plan, because the side letter preserves that right to BMWE members should the two organizations choose to merge. The Boilermakers pension is a substantial benefit for the membership of BMWE, a benefit

deserved and earned by BMWE members and their families.

The Boilermakers tentative agreement also includes a side letter regarding the continuation of discussions between the union and the railroads to explore utilizing the Boilermakers-Blacksmiths National Health and Welfare Trust as a provider of health and welfare benefits for railroad members, including any rail union that merges with the Boilermakers. This would provide an opportunity for the Boilermakers Health and Welfare Trust to explore the development of a brand new railroad plan that mirrors the benefits BMWE members currently enjoy under GA-23000, but at a reduced cost. Should such a plan be developed at a lesser cost, the cost savings would be passed on to the members covered by such a plan. This could result in substantive reductions or even elimination of railroad employee cost sharing on health and welfare.

In light of the progress the Boilermakers have made in their negotiations with the railroads, a group of BMWE system officers approached the Boilermakers

Committee to informally discuss the potential for reopening merger negotiations. This informal group, acting on behalf of, and at the request of, their members made it clear that they were not representing Grand Lodge and that they had no authority to negotiate a merger on behalf of BMWE. During these informal discussions, the Boilermakers expressed a strong and continued interest in a merger with the BMWE.

The informal committee discussions focused upon a number of issues raised by members during the first merger ratification process. These issues included, but were not limited to, funding for a BMWE Division of the Boilermakers, BMWE secretary-treasurers paying dues, disbandment of local lodges with less than 35 members, and membership in the communist party in Canada. The Boilermakers advised the informal committee that they were prepared to address these issues should a formal reopening of merger negotiations be approved by BMWE. The Boilermakers also advised the committee that, if a merger took place, it would not be necessary for

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Merger Continued from Page 1

the BMW to raise their dues. Charles W. Jones, International President of the Boilermakers explained, "the Boilermakers International is in excellent financial condition and we do not need nor do we want your [BMW] members to increase their dues as a part of the merger process."

After this informal meeting, over one-third of BMW system officers petitioned President Mac A. Fleming to reopen merger negotiations. The petition noted that the Boilermakers were willing to negotiate substantial changes to the original merger agreement that failed to ratify by a slight margin in 2001. President Fleming discussed the petition request with the Grand Lodge Officers. Thereafter, the Grand Lodge Officers voted to reopen negotiations with the Boilermakers to see what improvements or enhancements could be negotiated to the original

agreement. President Fleming reconvened the original Merger Committee with one newly appointed member from Canada added to better represent Canadian interests.

On June 8, 2002, after several intensive negotiation sessions, the BMW Merger Committee reached a tentative new merger agreement which substantially improved upon the terms of the original merger agreement. The Merger Committee negotiated this agreement for the benefit of the BMW membership because they believe the membership deserves a substantial supplemental pension in addition to Railroad Retirement; dues stabilization; the right to work in other unionized industries during layoff; a chance to reduce or eliminate health and welfare cost sharing; and the ability to have the financial wherewithal and structure to organize new members.

That new merger agreement was presented to the Grand Lodge Officers for a vote on June 13, 2002.

The Grand Lodge Officers voted by a substantial margin to adopt a Resolution submitted to them by the Merger Committee supporting a membership referendum vote on the new merger agreement. The Grand Lodge Officers' vote to move the process forward reflects that the new agreement contains a number of substantial improvements over the previously proposed merger agreement, and the new agreement also better clarifies many other aspects of the first proposed agreement.

The Merger Committee Resolution adopted by the Grand Lodge Officers also called for an education and training session to be held at the Grand Lodge Convention for the purpose of informing the delegates of the terms of the Agreement; answering questions from the delegates regarding the Merger Agreement; and enlisting the support from those delegates willing to assist in informing the membership of the terms of

the new Agreement. Accordingly an education seminar featuring a joint BMW / Boilermakers presentation will be held on Thursday morning beginning at 8:00 a.m.

A summary of enhancements and clarifications of the new proposed merger agreement is reprinted below with a cross-reference, in parentheses, to the actual Merger Agreement documents. The summary highlights only the major improvements, enhancements, and clarifications, which are in addition to the terms contained in the first agreement.

EDUCATION SEMINAR

8:00 a.m., Wednesday
July 10, 2002

**BMW / Boilermakers
Merger Committee
Presentation**

Questions and Answers

SUMMARY OF ENHANCEMENTS AND CLARIFICATIONS in the new PROPOSED MERGER AGREEMENT between the BMW and BOILERMAKERS

- BMW members in the U.S. will be eligible to participate in the Boilermakers National Pension Trust under the same terms and conditions as other Boilermakers railroad members pursuant to the Boilermakers tentative National Agreement, including up to 15 years of past service pension credit. Per that Agreement's side letter, the BMW Division would not be required to serve a Section 6 contract notice, or wait until the expiration of any contract moratorium to participate. BMW Division would, however, negotiate the rate of contributions made by the carriers on the members' behalf. (Side Letter 7)

- International dues (per capita) would not be increased for BMW members as part of the Merger Agreement. All commitments made to the BMW in the Merger Agreement will be fulfilled and carried out within the current international dues structure in effect for BMW members prior to BMW's 2002 Grand Lodge Convention. (Para's. 12(a)(b))

- BMW system divisions and federations will receive \$1.90 per member rebate in dues per month, thus stabilizing system division and federation finances and dues rates. The system divisions and federations, through their internal processes, will determine how this money will be allocated. This represents a \$.90 increase in dues rebate above the \$1.00 rebate provided for in the original proposed merger agreement of 2001. (Para. 12(4).)

- There shall be no involuntary mergers, disbandments, or consolidations of system divisions and federations and local lodges by virtue of the Merger Agreement. (Para. 17)

- BMW local lodge secretary-treasurers shall remain exempt from the payment of monthly dues. (Side Letter 24)

- Clarification that ratification of both national and local agreements is preserved as current. (Side Letter 21)

- Clarification of strike authorization procedures and the preservation of the BMW Division's right to strike. (Side Letter 26)

- Clarification that Boilermakers strike benefits payable to BMW Division members will not be reduced or otherwise affected by the payment of Railroad Retirement Unemployment Benefits. (Para 15)

- Clarification that BMW Division members in the U.S. and Canada would be able to seek work in other Boilermakers represented industries, including Boilermakers Construction and Shipbuilding Divisions, and will be provided assistance in facilitating contact with Boilermakers representatives in those industries to seek such employment opportunities. (Side Letters 28 & 31)

- Clarification that BMW members would, if they so choose, be eligible to participate in the Boilermakers Construction Apprenticeship Program. (Side Letter 30)

- Clarification that BMW Canadian members traveling to the U.S. to work in the Boilermakers Construction Division will be provided assistance in obtaining work visas and other work related immigration matters. (Side Letter 31)

- Clarification that although Client/Owners and/or Contractors in the Construction Industry frequently require drug testing as a condition of employment, it is not the policy of the Boilermakers International to require and/or recommend drug testing. (Side Letter 32)

- Clarification that the children of BMW Division members would be eligible to participate in the Boilermakers Scholarship Program in the same manner as children of all current Boilermakers. Currently, those scholarships amount to \$50,000 per year. The BMW Executive Vice President-at-Large will recommend, and the International President shall appoint, a representative of the BMW Division to serve on the Scholarship Committee. (Side Letter 29)

- Clarification that should a system division or federation, through agreement with a carrier, negotiate a MofW apprentice training program, the international union will make every effort to make their Boilermakers Training Facilities available for such purpose. (Side Letter 30)

- Clarification that BMW Division local lodges will continue to conduct local lodge elections as presently conducted, with nominations and elections permitted to be held at the same meeting. Terms of U.S. local lodge office will continue to be three years. (Attachment 7 - Sec's. 9 & 10)

- Clarification that BMW local lodge officers in Canada will continue to be elected to four year terms. (Attachment 7 - Sec. 10)

- Clarification on how dues are adjusted and allocated per Paragraph 12(b).

- Clarification that Constitutional provisions concerning the Communist Party will not be applicable to Canadian members of the BMW Division. (Side Letter 25)

- Clarification that membership years in the BMW will be recognized as membership years in the Boilermakers. (Side Letter 34)

- Clarification on tentative agreement between Boilermakers and carriers concerning agreement to explore Boilermakers Health and Welfare Fund insurance for railroad members at levels comparable to current railroad membership coverage provided under GA-23000. (Side Letter 18)

- Clarification that the name of the merged organization, contingent upon ratification of the merger and approval by the International Executive Council, shall be: The International Brotherhood of Boilermakers, Railroaders, Ship Builders, Forge Workers, and Allied Industrial Unions, AFL-CIO. (Side Letter 5)

- Clarification that system division and federation participation in pension plan(s) may occur only if and when duly authorized in accordance with each system division and federation bylaws. (Para. 14 (d)(e)(f))

- Clarification that BMW Division functions as set forth in Paragraph 4 (b) of Merger Agreement [Functions], "will be funded by the merged organization at levels sufficient to provide services at the same or higher level as those being provided by Grand Lodge." (Side Letter 23)

- Clarification that "Education" is a function of the BMW Division. (Para 4(b))

- All BMW Division Officers, inclusive of the two International Officers (Executive Vice President-at-Large and International Vice President-at-Large), Regional Directors (former BMW Vice Presidents) and Executive Committee (former BMW Executive Board) shall come from, be nominated by, and must be members of, one of the affiliated lodges of the BMW Division. (Para. 5)

- Establishment and recognition of a BMW Division Advisory Board, consisting of the two BMW Division International Officers, Regional Directors, and Executive Committee who shall jointly determine the general policies to be adopted and enforced during the interim between BMW Division Conferences. (Side Letter 33 & Attachment 6 - Sec. 4)

- BMW Division delegates will elect their two principal officers, i.e., the Executive Vice President-at-Large and the International Vice President-at-Large, at the BMW Conference immediately preceding the 31st Consolidated Convention in 2006. No other nominees, other than the two selected by the BMW Division Conference delegates, will be presented at the 31st Consolidated Convention in 2006. (Para. 5)

- Vacancies occurring in the positions of BMW Division Executive Vice-President-at-Large and International Vice President-at-Large will be filled by election of all BMW system division and federation general chairmen, or their designated representatives, casting a representative vote of their respective membership (same as current). The International President shall then appoint the BMW Division's elected individual to such international office for the remainder of the term. (Para. 6(a))

- Vacancies occurring in the positions of BMW Regional Directors and Executive Committee shall be filled by election of system division and federation officers casting a representative vote of their respective membership of the region (same as current). The International President shall then appoint the BMW Division's elected individual for the remainder of the term of office. (Para's. 9(i) & 10(e))

- Clarification that all BMW designated FELA law firms are approved to remain on the designated counsel list. Also clarified are procedures for adding or removing FELA law firms into the future. (Side Letter 27)

- Clarification that the arbitration provision of Paragraph 21 may be invoked by a majority vote of the BMW Advisory Board. (Para. 21(a)(3))

Welcome New Members from the Wisconsin Central

It was a pleasure for President Mac A. Fleming to write the almost 500 Canadian National / Wisconsin Central Engineering Department Employees on May 30, 2002 and welcome them to the BMWWE. In many cases it was a welcome back.

On May 20, 2002, the BMWWE crossed the required threshold of 50% plus one signed cards authorizing the BMWWE to represent the maintenance of way employees on the Wisconsin Central. On May 29 the BMWWE submitted 249 Authorization Cards to the National Mediation Board for verification. In the following week an additional 10 A-Cards were forwarded to the NMB, making 22 more than the required 237 needed to win recognition. And on June 26 the NMB certified the BMWWE as the union to represent the 473 track, bridge and dock workers on Wisconsin Central for purposes of the Railway Labor Act.

This successful organizing drive was conducted under the leadership of Director of Organizing Paul Swanson and Staff Assistant-Organizing Tim McCall. Between January and May, 2002, the Organizing Department with the assistance of system and local officers from several systems in the region contacted nearly every worker. Every crew was contacted before and after work and nearly 200 house calls were made.

Director Swanson expressed his

heartfelt thanks and appreciation for the assistance of Mark Barbour, part-time organizer, president and local chairman from the Affiliated System Federation; Mike Koziara, Wisconsin State Legislative Director from the Burlington System Division; Gary Hart and Dave Jaeger, local chairman, both from the Chicago & North Western System Federation; and Greg Gibbons, assistant general chairman from the Chicago, Milwaukee, St. Paul & Pacific System Federation. Swanson also thanked General Chairmen Tom McCoy (ASF), Dave Joynt (BURL), Leon Fenhaus (C&NW), and Mark Wimmer (CMSStP&P). Last but not least, Swanson thanked the Wisconsin Central employees, too many to name here, for their tireless efforts to secure union representation.

Once the required number of A-Cards were received, meetings were scheduled and then held each day from June 20 through June 24 to establish new local lodges as well as elect officers and members of the local bargaining committees. Representatives of the local bargaining committees will participate in all bargaining sessions. BMWWE leadership and staff will prepare bargaining demands to serve on the carrier and commence bargaining as quickly as the Railway Labor Act allows.

The photos shown below were

taken at the meetings in Fond du Lac and Green Bay, Wisconsin and Escanaba, Michigan. No photo was taken at the meeting held in Eau Claire, Wisconsin which was held on Sunday, June 23 at the Labor Temple. The only officers elected at the Eau Claire local were Charlie Larson as Delegate to the Grand Lodge Convention and Jerry Nelson as Alternate Delegate. The membership passed a motion to postpone electing the remaining officers until it is determined if a Ladysmith, Wisconsin local will be organized.

A Few Facts About Wisconsin Central

The integration of Canadian National and the Wisconsin Central began on October 9, 2001 and the trackage of the WC forms CN's sixth division — the Wisconsin Central Division. WC operates approximately 2,800 route miles of track in Wisconsin, Illinois, Minnesota, Michigan and northern Ontario and employes approximately 2,200 people in Canada and the United States.

Wisconsin Central's most significant predecessor, the Wisconsin Central Railway, originated in the late 1860s. In 1909, however the Wisconsin Central became part of a larger system, the Minneapolis, Sault Ste. Marie, St. Paul & Atlantic Railway (soon nicknamed the Soo Line), whose history dated back to the early 1880s. While WC was

operated by the Soo Line as a division, its identity was mostly submerged until almost 80 years later.

In 1986, the Soo Line, then a 4,700-mile CP Rail subsidiary in the U.S. Midwest, decided to form a "railroad within a railroad" or the Lake States Transportation Division, to operate some 2,000 miles of its trackage in Wisconsin and upper Michigan as a separate division. When the Soo Line did not realize its hoped-for economies it decided to sell off this part of its property.

On April 3, 1987, Soo Line announced the sale of LSTD to the Wisconsin Central Transportation Corporation. The new company took its name from the earlier Wisconsin Central Railway and also chose as its logo the original Wisconsin Central's shield emblem, which it had adapted from the state's coat of arms in 1885.

When this largest short line transaction occurred in 1987 the Interstate Commerce Commission considered it a sale to a non-carrier since the new company was only considered a carrier after it began operating. Despite the BMWWE's best efforts for its members at the time, the ICC gave the WCTC exempt status in the transaction, and thereby stripped workers of their right to protective benefits. The BMWWE did everything it could to fight it but it lost.



Central Labor Hall, Fond du Lac, Wisconsin, Thursday, June 20, 2002. Staff Assistant Timothy McCall swearing in from right to left, Bargaining Committee Representative Mark Phillip, Local Chairman and President John Dake, Vice President Bob Ford, Audit Committee Member Dave Amundson, unidentified officer, Secretary-Treasurer and Alternate Delegate Jim Vosburgh and Grievance Committee Member Robert Heimerl. Not pictured are Vice President Bob Ford, Grievance Committee Members Todd Getter and Jack Streeter (also the Delegate and System Board Member) and Audit Committee Members Joe Englehardt and Greg Beau.



Plumbers & Pipefitters Hall, Escanaba, Michigan, Friday, June 21, 2002. Staff Assistant McCall swearing in from right to left, President Jerry Eis, Bargaining Committee Representative for Track & Structures Mike Turen, Grievance Committee Member John Breitenbach, and Vice President Gary Rudden. Not pictured are Secretary-Treasurer Dave DeSalvo, Local Chairman Track & Structures Steve Miketinac, Local Chairman Dock Paul Sarnowski, Grievance Committee Member Track & Structures Robert Willis, Grievance Committee Members Dock Ray Hughs, Rich Bellinger and John Hughs, Audit Committee Members Charlie Mineau, Gary Moore and Vic Stack, Delegate Jerry Webber, Alternate Delegate Mike Klarich and Bargaining Committee Representative Jerry Bowden.

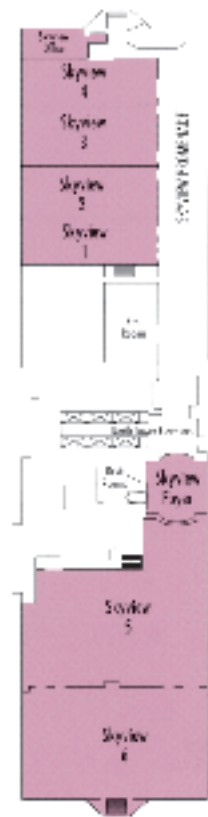


Labor Temple, Green Bay, Wisconsin, Saturday, June 22, 2002. Staff Assistant McCall swearing in from right to left, President Jim Kempinger, Secretary-Treasurer Herb White, Delegate and Grievance Committee Member Curtis Bostedt, Vice President Steve Snow, Audit Committee Member Tom Daken, System Board Member Richard Prochaska, Audit Committee Member Anthony Seidel, Grievance Committee Member and Bargaining Committee Representative Karl Pachmayer, and Grievance Committee Members Dick Hutjans and Kelly Zajac. Not pictured are Local Chairman Steve Schultz and Audit Committee Member Dave Greely.

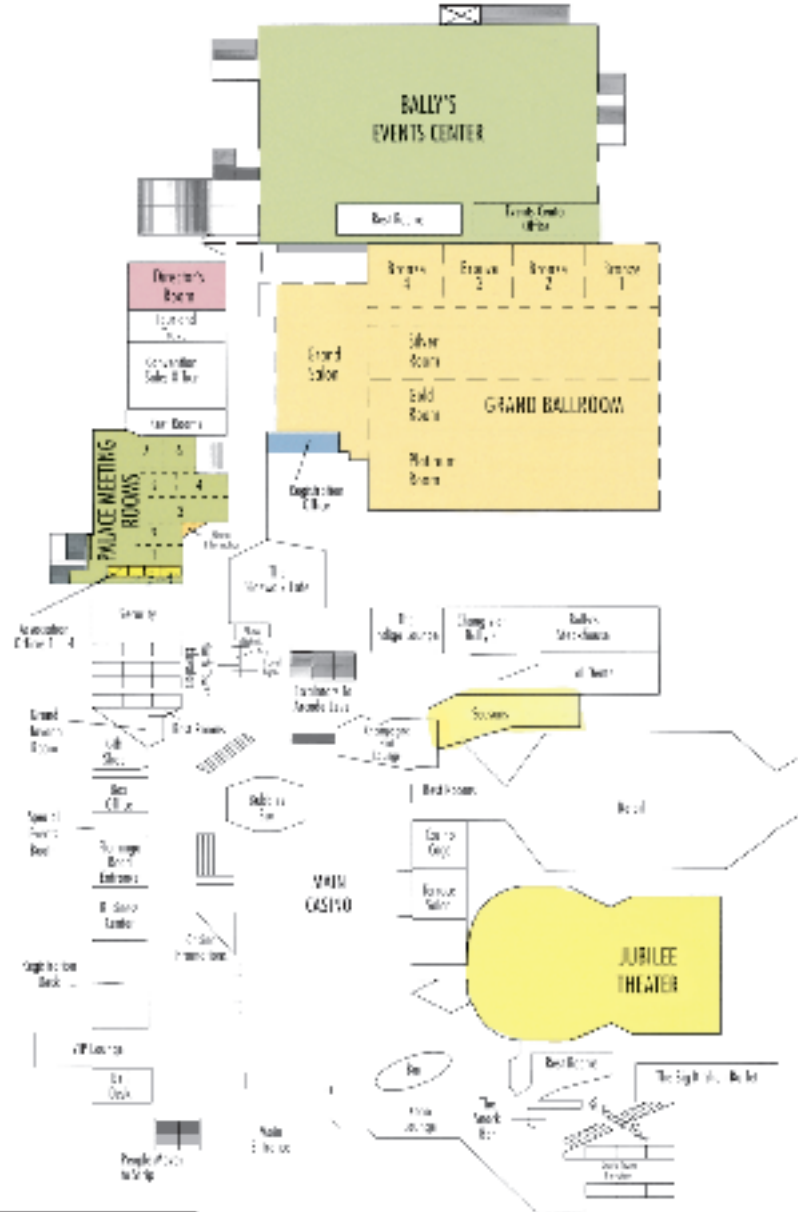


BALLY'S LAS VEGAS

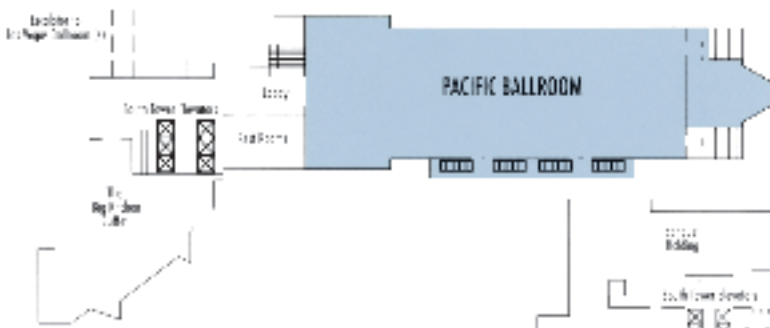
NORTH TOWER - 26TH FLOOR



NORTH TOWER - CASINO LEVEL



SOUTH TOWER - SECOND FLOOR



SOUTH TOWER - THIRD FLOOR



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