

Annual Scholarship Award: Open Application Period

BMW Members and their dependents eligible to apply

By action of the 44th Grand Lodge Convention, the BMW established an annual scholarship to be awarded each year to a BMW member or an eligible dependent, with preference given to applicants enrolled or planning to enroll in an accredited college or university in pursuit of labor-related studies. In accordance with BMW Resolution # 51, which was adopted unanimously by the delegates to the 2002 Grand Lodge Convention, one scholarship in the amount of \$1,500.00 will be awarded in November of each year.

The annual scholarship award is designed to encourage and recognize the achievements of BMW members or their dependents and to assist them in bettering themselves by obtaining a higher education, with preference given to those pursuing the study of labor-related subjects.

ELIGIBILITY:

Applicant must be: (1) a dependent

of a BMW member who is a high school senior enrolled or planning to enroll in an accredited college or university, or a full-time undergraduate or graduate student enrolled at an accredited college or university; or, (2) a member of BMW enrolled as an undergraduate or graduate student at an accredited college or university.

Preference will be given to applicants pursuing the study of labor-related subjects or pursuing a degree in labor-related subjects.

APPLICATION PROCEDURE:

To apply for the BMW scholarship, an applicant must meet all the eligibility requirements and submit via mail the following: (1) A completed application form (available on line at www.bmwe.org); (2) Most recent academic transcript; (3) College entrance examination, i.e., ACT and/or SAT scores (if applicable); (4) A list of extra-curricular, community service and union activities; (5) A letter of recommenda-

tion in the prescribed format from a school related official or from a member of the labor community who is unrelated to the applicant; (6) A statement of 300 words or less written by the applicant outlining his or her employment history and career goals; and, (7) A statement of 300 words or less written by the applicant explaining how the BMW has impacted his or her life.

SELECTION CRITERIA:

Three (3) applications will be selected by random draw from the pool of applications received by the close of business on September 30. The 3 selected applications must include all the information required in the application procedures and meet all eligibility requirements. The selected applications will be copied and distributed to the BMW Vice Presidents who will review and rank each application on a scale of 1 - 3, with 3 being the highest ranking and 1 being the lowest ranking. Any tie in ranking score will be decided by the Grand Lodge President based upon his final review of the tied applications. The applicant receiving the highest aggregate ranking will receive notice of the scholarship award in November. Due to the anticipated high volume of applicants, only the successful applicant will be notified of the award.

The BMW Scholarship award

check will be made out directly to the college or university where the award recipient is enrolled or accepted for enrollment. Upon notification of the award, it will be necessary for the recipient to furnish the Grand Lodge President with information to facilitate the issuance of an award check payable to the accredited college or university where the applicant is accepted or enrolled.

Application materials must be submitted by mail and be received at Grand Lodge by the close of business September 30, 2004. Faxed applications will not be accepted. Please mail completed applications to: President, Brotherhood of Maintenance of Way Employees c/o BMW Scholarship 20300 Civic Center Drive, Suite 320 Southfield, MI 48076-4169

Application forms and a complete description of application procedures and eligibility requirements can be downloaded from the Brotherhood's website at www.bmwe.org. Or you can call the Grand Lodge Department of Safety and Education at 202-638-2135 ext. 12, and request a scholarship package be sent to you via regular mail. Any questions concerning the BMW Scholarship or application/selection procedures may be forwarded via e-mail to BMW's Education Director at Ricki@bmwewash.org.

Year 2004 Railroad Retirement and Unemployment Insurance Taxes

The amounts of compensation subject to railroad retirement tier I and tier II payroll taxes increase in 2004. However, the tier I tax rate on employees and employers remains unchanged. Under the Railroad Retirement and Survivors' Improvement Act of 2001, tier II tax rates are determined annually, beginning in 2004, by an average account benefits ratio. Based on this ratio, the tier II tax rate on employees remains unchanged in 2004, but the tier II tax rate on employers decreases. Railroad unemployment insurance tax rates paid by employers will continue to include a surcharge in 2004, but at a lesser rate.

Tier I and Medicare Tax.—The railroad retirement tier I payroll tax rate on covered rail employees and employers for the year 2004 remains at 7.65 percent. The railroad retirement tier I tax rate is the same as the social security tax, and for withholding and reporting purposes is divided into 6.20 percent for retirement and 1.45 percent for Medicare

hospital insurance. The maximum amount of an employee's earnings subject to the 6.20 percent rate will increase to \$87,900 in 2004 from \$87,000 in 2003, but there is no maximum on earnings subject to the 1.45 percent Medicare rate. The increase in the amount of earnings subject to railroad retirement and social security taxes is based on indexing to increases in average national wages.

Tier II Tax.—The railroad retirement tier II tax rate on employees remains at 4.9 percent in 2004, but the rate on employers decreases by 1.1 percent, from 14.2 to 13.1 percent. The maximum amount of earnings subject to railroad retirement tier II taxes, however, will increase to \$65,100 in 2004 from \$64,500 in 2003. Tier II tax rates under the 2001 Railroad Retirement and Survivors' Improvement Act are based on an average account benefits ratio reflecting railroad retirement fund levels. Depending on

See **RETIREMENT** Page 5

BMW E

JOURNAL CONTENTS

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| | | | |
|---|---|---|---|
| BMW President Mac A. Fleming Retires | 1 | President's Perspective | 4 |
| BMW Scores Organizing WIN on VAE Nortrak, INC. | 1 | Lost Dues Receipts Voided | 4 |
| Annual Scholarship Award: Open Application Period | | Secretary-Treasurer's Report | 5 |
| <i>BMW Members and their dependents eligible to apply</i> | 2 | Roll of Honor | 6 |
| Year 2004 Railroad Retirement and Unemployment Insurance Taxes | 2 | Death Benefits | 6 |
| New Medicare Legislation | 3 | Metra Sets Forth Aggressive Public Safety Campaign! | 7 |
| Allied Eastern and Southern System Federations Initiate H&W Plan for Disabled Members | 3 | BMW Legislative Issues – 108th Congress | 8 |

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New Medicare Legislation

Persons covered by the railroad retirement system participate in the Federal Medicare program on the same basis as those under the social security system. And, the Medicare Prescription Drug, Improvement and Modernization Act of 2003, enacted on December 8, 2003, affects railroad retirement annuitants in the same manner as social security beneficiaries.

A few of the major features of the new law are provisions for Medicare coverage of prescription drugs, the establishment of a Medicare Advantage Program to replace the current Medicare + Choice Program, provisions for new preventive benefits, and future increases in the Medicare Part B deductible and premium.

The following questions and answers summarizing these features are based on information provided by the Centers for Medicare & Medicaid Services (CMS), the Federal agency responsible for administering the Federal Medicare program.

1. When will the new law begin providing Medicare coverage for prescription drugs?

The actual prescription drug benefit will begin in 2006. In the interim, the new law provides a transitional program of Medicare-approved prescription drug discount cards to provide savings on prescription drugs. The discount card program will start in June 2004 and continue through December 2005.

2. How will the interim discount card program work?

Medicare beneficiaries, except for those who have Medicaid drug coverage, will have the opportunity in May 2004 to enroll for a Medicare-approved prescription drug discount card, which

will help to lower their prescription drug costs. Beginning in June 2004, the cards will provide discounts off the regular price of prescription drugs.

The discount card program is not intended to be a prescription drug benefit, but rather a temporary discount program to help people without outpatient prescription drug insurance until the Medicare drug benefit takes effect on January 1, 2006.

The cards will be issued by private-sector discount card sponsors who meet standards set by CMS. The cards will display a Medicare-approved mark.

Beginning in June 2004, Medicare will provide a \$600 annual credit towards the purchase of prescription drugs for Medicare beneficiaries with incomes below \$12,124 for single individuals or \$16,363 for married individuals in 2003. To qualify for the credit, beneficiaries must not be receiving outpatient drug coverage from other sources, including Medicaid, TRICARE, group or individual health insurance coverage, or the Federal Employees Health Benefits Program. Generally, once a person qualifies for the \$600 credit, he or she is qualified until the new Medicare drug benefit begins.

The credit will be reflected on the Medicare-approved drug discount cards of qualified beneficiaries. While Medicare-approved discount card programs can charge a beneficiary an enrollment fee of up to \$30 per year, Medicare will pay the enrollment fee for beneficiaries who qualify for the \$600 credit.

3. How will Medicare beneficiaries enroll in the discount card program in 2004?

After selecting the discount card program that best meets his or her needs,

the beneficiary will submit basic information about his or her Medicare and Medicaid status on an enrollment form. If the beneficiary wants the \$600 credit, he or she will also submit income information and information about retirement and health benefits. CMS will verify this information and notify the approved discount card program of the beneficiary's eligibility and enrollment status.

Enrolled beneficiaries may start obtaining discounts and, if receiving the \$600 credit, using these funds to purchase prescription drugs as early as the first day of the month following enrollment.

4. How will the Medicare prescription drug benefit work when it takes effect?

Beginning in 2006, all Medicare beneficiaries will have access to prescription drug plans administered by private firms on a regional basis.

Beneficiaries will get the drug benefit in two ways: as separate policies for drugs or as part of private health plans that also provide the rest of their care. For example, a beneficiary who is enrolled in the Original Medicare Plan may voluntarily enroll in a drug benefit plan, while a beneficiary enrolled in an alternate plan, such as a HMO, may receive drug benefits as a part of that health plan.

5. What is the standard drug benefit under the new law?

Under the standard drug benefit plan, individuals with Medicare will pay a premium of about \$35 a month and a deductible of \$250 a year. Medicare will pay 75 percent of drug costs between the deductible and \$2,250. Beneficiaries will pay drug costs between \$2,250 and \$5,100, and

Medicare will pay 95 percent of drug costs above \$5,100.

The drug benefit plan includes additional assistance for people with low incomes and limited assets. Most significantly, people with Medicare with incomes below \$12,124 for individuals and \$16,363 for couples will have no premiums, no deductibles, and minimal co-payments. Other beneficiaries with low incomes and limited assets will receive premium and deductible assistance and have limited cost sharing.

6. When will Medicare beneficiaries enroll in a Medicare prescription drug benefit plan?

Initially, there will be a 7-month open enrollment season for beneficiaries who are eligible for the drug benefit as of November 15, 2005. The initial 7-month open season is planned to begin May 1, 2005, and end November 30, 2005. Individuals who become eligible after November 15, 2005, will be able to enroll during an initial enrollment period or during a special enrollment period.

7. How does the new law otherwise provide more choices in health coverage and better health care benefits?

In 2004, the health plan option known as Medicare + Choice is replaced by the Medicare Advantage program. The legislation makes changes to the way Medicare pays these plans to help ensure beneficiaries have access to more health plan choices.

In 2006, Medicare Advantage plan choices will be expanded to include regional preferred provider organizations (PPOs). (A PPO is a plan under which a beneficiary uses doctors, hos-

See **MEDICARE** Page 7

Allied Eastern and Southern System Federations Initiate H&W Plan for Disabled Members

On January 1, 2004 the Allied Eastern and the Southern System Federations initiated a health care trust fund for members who may become occupationally disabled. The plan was developed by the Systems with the assistance of a third party administrator. The benefits provided under this plan will be similar to those provided under GA46000 which are currently available to members who retire at 60 or older with 30 years of service. The new trust fund benefits will be capped at \$100,000 lifetime maximum which is higher than the current maximum under GA46000. The prescription drug copay is slightly higher at \$5.00 for generic and \$10.00 for single source, however prescription drugs do not deduct from the lifetime maximum.

Currently, BMW members who go on occupational disability have no alternative but to enroll in the GA23111 Plan which can cost more than \$700.00 per month. Allied Eastern and

Southern System members who retire on occupational disability after January 1, 2004 will no longer have to worry about affordable health care coverage for themselves and their families.

A resolution designed to create this type of benefit originated in Allied Eastern Federation Local Lodge 986 and was passed both at the Allied Eastern's convention in 2001 and also at the International convention in 2002. Responding to that resolution, both the Allied Eastern and the Southern System polled their members to find out if they would support a dues increase in order to provide these benefits. What they found was that their memberships were overwhelmingly in favor.

Horace Ezzell, who serves as Chairman of the BMW Health and Welfare Plan for Occupationally Disabled Members said, "Although the health care trust fund is not a Cadillac plan, it is designed to provide basic

benefits with a prescription program that our members can afford." He went on to say, "the federations pay a dollar amount into the trust fund each month which is based on the number of working members in order to establish the fund. The plan participants then pay a small monthly fee in order to receive the benefits."

The trust fund was established in strict compliance with the Employee Retirement Income Security Act (ERISA) as well as the Internal Revenue Code. The federations have retained the services of an experienced third party administrator to manage the plan. There are also five other BMW members besides Ezzell who serve as Trustees and are charged with protecting the trust fund.

Southern System Federation General Chairman Gary Cox said, "We are glad that we are now able to provide this benefit to our disabled members and their families, it has

been a long time coming". He also stated, "The Trust Fund was developed to accommodate rail labor in general. We hope that other federations and crafts see the benefit in providing this service."

The health care trust fund provides for an annual enrollment period. However, since the plan is currently self funded through dues deductions, individual enrollment is not possible. Enrollment is restricted to groups such as federations, or entire bargaining groups. Should another BMW federation or another craft decide to enroll, their individual groups would have to join the plan collectively.

Anyone interested in more information about the trust fund should direct their written request to:

Board of Trustees
BMW Health and Welfare Plan for
Occupationally Disabled Members
P. O. Box 1449
Goodlettsville, TN 37070-1449



Freddie N. Simpson

PRESIDENT'S PERSPECTIVE

This edition, my Perspective and the Secretary/Treasurer's Report will discuss related aspects of the importance of workers joining together in unions to advance their collective interests. Brother Geller's Report focuses on the Bush Administration's use of alleged national security concerns to deny the right to organize to federal security workers. My Perspective concerns how previously unrepresented employees have joined together to advance their common interests. What both of us stress is that the right of employees to organize and speak as one to their employers is consistent with the founding principles of this nation. There is nothing more patriotic than workers getting

together, discussing their concerns and deciding to work together to help each other in the working world.

One of the greatest freedoms we enjoy in the United States is our constitutionally protected right to freedom of expression. For better or worse, and it's usually for the better, we are an outspoken people, free to share our thoughts and opinions with anyone who asks, and even some who don't. While our individual liberties are precious, they are sometimes used to create myths that work against the interests of working people like you and me. Advocates of runaway factories like to boast that the owners of these businesses are engaging in their individual rights to do as they please with their property, despite the human misery caused by factory closings. Others claim we should have "individual" retirement accounts and the government should not be in the business of helping ensure that retirees can live in dignity on modest pensions. The extreme of this position is the cult of "rugged individualism" which amounts to nothing more than every man for himself. I think the right to freedom of expression means far more than the glorification of the individual at the expense of his neighbors in the community.

While we all have the right to act individually; I believe we truly thrive by acting in concert with others. Think of your own life outside of work; how your house of worship, community social club or other voluntary association gets things done better than you could on your own. The whole point of such voluntary associations is that they harness collectively the power of the individuals who make up the group. That same ideal of working in concert for a common goal is the lodestar of the labor movement.

Our labor laws both encourage and protect the rights of workers to join together to advance their cause in the workplace. Section 2 Fourth of the Railway Labor Act says, "Employees shall have the right to organize and bargain collectively through representatives of their own choosing." The Act goes on to say that, "No carrier, its officers, or agents shall deny or in any way question the right of its employees to join, organize, or assist in organizing the labor organization of their choice, and it shall be unlawful for any carrier to interfere in any way with the organization of its employees, or to use the funds of the carrier in maintaining or assisting or contributing to any labor organization, labor representative, or other agency of collective bargaining, or in performing any work therefore, or to influence or coerce employees in an effort to induce them to join or remain or not to join or remain members of any labor organization . . ." The National Labor Relations Act, which drew upon the earlier Railway Labor Act for guidance states that it is "hereby declared to be the policy of the United States to eliminate the causes of certain substantial obstructions to the free flow of commerce and to mitigate and eliminate these obstructions when they have occurred by encouraging the practice and procedure of collective bargaining and by protecting the exercise by workers of full freedom of association, self-organization, and designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection." These are strong and powerful words that should remind all of us that Congress believed that collective bargaining and union membership provide a social good. Today, apologists for runaway factories, tax breaks for the rich and those who fear and oppose unions try to sell the false story that unions are "un-American" and that workers really don't need to organize and bargain collectively. Well, I want to tell you about two recent successes within BMWWE where individual employees banded together to create more together than they could obtain individually.

Two years ago, the maintenance of way employees working for the Wisconsin Central Division of the Canadian National chose BMWWE as their collective bargaining representative. At the time, the Wisconsin Central was the largest non-union maintenance of way group in the United States. In the past two years, the BMWWE

members working on the Wisconsin Central have organized local lodges, created their own Wisconsin Central System Division and adopted by-laws to govern the Division. The System Division's General Chairman, Fred Peters, was working as a Track Welder when elected and he had no prior experience as a union officer. Since that beginning, the Wisconsin Central System Division, through General Chairman Peters and a rank and file bargaining committee, assisted by Vice President Leon Fenhaus, have negotiated a first agreement for the Wisconsin Central property. That agreement provides substantial wage increases, job security and enhanced health and welfare benefits for all of the members working on the Wisconsin Central. As this edition of the Journal goes to press, the System Division members are voting on ratification of the agreement and I am confident it will ratify overwhelmingly. One thing is certain, over 400 formerly unrepresented workers have learned that, through collective action, they can deal with their employer to make their pay and work rules better than anything they could hope to achieve on their own.

Recently, the workers at VAE Nortrak in Cheyenne, Wyoming voted to join the BMWWE. This election was a "first" for BMWWE in two ways. VAE Nortrak produces rail panels and other materials used by the railroads, but it is not a "rail carrier" subject to the Railway Labor Act. Instead, VAE Nortrak is subject to the National Labor Relations Act. It is the first employer ever organized by the BMWWE subject to that Act. Also, although VAE Nortrak is located in one place, it functions as a "contractor" to the railroads through its production of track panels. VAE Nortrak also is the first railroad contractor organized by the BMWWE.

Negotiating a first contract is a difficult task in its own right and under the National Labor Relations Act it is extremely difficult. The VAE Nortrak employees were once represented by the Steelworkers, but the employer dragged out negotiations and was able to get the union decertified in an election. It is a tribute to the VAE Nortrak employees that despite their earlier problems in collective bargaining, they again chose to be represented by a union. In other words, they may have been swayed by their employer's "rugged individualism" speech to decertify one union, but they found through hard experience that collective action through a union is the only way for working people to obtain real dignity in the work place. This time, with the assistance of General Chairman Dave Tanner of the Union Pacific System Division and Vice President Rick Wehrli, I know they will prevail.

For the last several Perspectives I have discussed the need for rail union mergers and attempts by existing rail unions to form bargaining coalitions. The common thread through all of these articles has been the notion that working people do best when they unite. In unity they can draw on each other's native talents and gain strength from the knowledge that the group is working for the greater good of the whole. That is why I'm a union member and proud to be one, I hope you are too.

Lost Dues Receipts Voided

The following Official Dues Receipts have been lost:

J-0173526 through J-0173600 and D-1011057 through D-1011151; J-193150 through J-193175; J-0191086 through J-0191100 and C-1121870 through C-1121975; J-0186476 through J-0186500 and D-0049265; C-0995124 through C-0995125 and C-1072576 through C-1072600; and H-0913256 through H-0913275

These OFFICIAL DUES RECEIPTS were lost in the vicinity of MEADVILLE, PENNSYLVANIA; BETHLEHEM, PENNSYLVANIA; SACRAMENTO, CALIFORNIA; MIDVALE, UTAH; KLAMATH FALLS, OREGON; and LOUISVILLE, KENTUCKY respectively.

These receipts are hereby declared "VOID" and all members are cautioned not to accept any as receipts. If you should learn of any person trying to sell or use these receipts, please furnish the name and address of this person to the Grand Lodge Secretary-Treasurer's Department.



SECRETARY - TREASURER'S REPORT

The Bill of Rights and the Labor Movement

In 1791, three years after the Constitution of the United States was ratified, the states ratified the Bill of Rights. The Bill of Rights represents the first ten amendments to



Perry K. Geller, Sr.

the U.S. Constitution. These Constitutional amendments were adopted and ratified as a means to bestow certain inalienable rights to the citizenry of the United States which could not be violated by the government.

The First Amendment is a powerfully simple paragraph which states: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press, or the right of the people peaceably to assemble, and to petition the Government for the redress of grievances."

One of the fundamental freedoms guaranteed by the First Amendment is the freedom of association and assembly. By any reasonable reading, the right of freedom of association extends to workers who want to join or form a union. A labor union's main purpose is to provide a safe haven for workers to freely associate and assemble, exercise their freedom of speech, and petition the government and employers for the redress of grievances. Unfortunately, however, the policies and philosophy of the Bush administration have been keenly focused on ways to effectively deny these basic rights to millions of

workers across this nation.

After the tragic events of September 11, 2001, the Bush administration used the terror attack against our nation to strip hundreds of thousands of workers of their right to belong to a labor union. In January 2002, President Bush issued an executive order revoking union representation for workers in the Justice Department's U.S. Attorney's offices, the Criminal Division, the National Drug Intelligence Center and the Office of Intelligence Policy and Review. In January 2003, the Undersecretary of Transportation signed an order prohibiting several hundred thousand federalized airport security screeners from joining a union or collectively bargaining over wages, hours, and working conditions. The order was signed at the insistence of President Bush, citing collective bargaining as incompatible with the war against terror and in conflict with national security needs. Again, in January 2003, the same lame excuse was used by the administration to terminate the collective bargaining rights of workers at the National Imagery and Mapping Agency.

While I in no way consider myself a security expert, I find it difficult to understand how membership in a union and the exercise of the right to collectively bargain can be a threat to the security of the nation. Unions bargain on behalf of their members to establish wages, hours, and working conditions. It is clear that these basic workplace issues pose no threat whatsoever to the security of our nation. The horror of September 11 is simply being used by the administration as an excuse to deny workers their basic First Amendment rights to freely associate and assemble.

Throughout the government and in private workplaces nationwide, the terms and conditions of employment are established either unilaterally by the employer, or through negotiations between a union representing the workers and an employer. In any event, regardless of how the terms and conditions of employment are established, such basic workplace issues have no bearing or

impact on the state of our nation's security.

So what is the real motive behind this move to use national security as an excuse to deny workers the right to join a union? It is apparent that its true purpose is to weaken organized labor and cripple labor's ability to engage its members in the political process. While unions are clearly not a threat to national security, they are viewed by the administration as a threat to the President's chances for reelection. Why? Because unions are one of the few entities with the organizational wherewithal to mobilize and educate millions of voters, thereby exposing the whole of the President's record on important issues facing America and its working families.

Simply stated, organized labor has demonstrated its effectiveness in political education and in get-out-the-vote campaigns, and that is the underlying reason why unions are under attack by the current administration. It has nothing at all to do with national security. It does, however, have everything to do with denying workers the legal right to form or join a union in order to stymie their ability to freely assemble in an organization of their choosing, and to exercise their freedom of speech rights in the political debate. Using the security argument as a shield, the goal of the Administration's policies is to silence the voice of the working class and keep informed workers away from the polls in November.

I would like to remind the Administration that the heroes who responded to the tragic attacks against the world trade center and the Pentagon were almost all union members. The firefighters, the police, and the emergency medical technicians who risked, and gave, their lives were largely union members. The con-

struction workers, truck drivers and transit workers who dug through the rubble around the clock and helped New York and Washington clean up and rebuild in the aftermath of September 11 were also predominantly union members. And undoubtedly, many of the close to 3,000 Americans who were killed in the terror attacks against America were members of a union or from a union household.

On September 11, 2001 and at every critical juncture throughout U.S. history, union members have demonstrated their patriotism, their love of country and their dedication to the protection of the homeland. Whether it be war, terrorism, or natural disaster, union members have answered the call and have served their country with honor, distinction and skill. As a union member and patriotic American, I take great offense to the President's notion that unions and union membership are a threat to national security. Unions are one of the central pillars of our democracy. Unions built this country and created the middle class. Unions are an expression of our First Amendment rights of free speech and peaceable assembly.

In 1978, AFL-CIO President George Meany said, "The American trade union movement – unlike any other labor movement in the world – is committed to working within the American political and economic system in order to achieve the social and economic justice promised by the Declaration of Independence and the Constitution." No one, not even the President of the United States, has a right to strip American workers of the freedom of association and assembly guaranteed to every citizen by the Constitution of the United States.

Year 2004 Railroad Retirement and Unemployment Insurance Taxes

(Continued from Page 2)

this ratio, the tier II tax rate for employers can range between 8.2 percent and 22.1 percent, while the tier II rate for employees can be between 0 percent and 4.9 percent.

Unemployment Insurance Tax.—Employers, but not employees, also pay railroad unemployment insurance taxes, which are experience-rated by employer. The basic tax rates range from a minimum of 0.65 percent to a maximum of 12 percent on monthly earnings up to \$1,130 in 2004, up from \$1,120 in 2003. Surcharges of 1.5 percent or 2.5 percent are added to the basic tax rates for a calendar year, but do not increase the maximum 12 percent rate, if the railroad unemployment insurance fund balance is below certain indexed threshold amounts, but greater than zero, on the preceding June 30. If the account balance is less than zero on

that date, a surcharge of 3.5 percent is added and the maximum rate is 12.5 percent. The 2.5 percent surcharge was applied in 2003; the 1.5 percent surcharge in effect in 2004 reflects an increase in the prior year account balance.

The unemployment insurance tax rates on railroad employers in 2004 therefore will range from 2.15 percent (the minimum basic rate of 0.65 percent plus the 1.5 percent surcharge) to a maximum of 12 percent on monthly compensation up to \$1,130.

The 1.5 percent surcharge will not apply to new employers in 2004, and new employers will initially pay a tax rate of 2.38 percent, which represents the average rate paid by all employers in the period 2000-2002.

For 71 percent of covered employers, the unemployment insurance rate assessed will be 2.15 percent in 2004.

ROLL OF HONOR

30 year MERIT AWARDS

30 Year Continued from Last Month

| LODGE NAME | SYSTEM | NUMBER | MEMBER SINCE |
|-----------------------|--------|--------|--------------|
| Alan G. Galbreth | BURNOR | 1426 | 1973 |
| Giovanni Gallo | CMSTPP | 2857 | 1971 |
| Daniel G. Gavina | CMSTPP | 2857 | 1970 |
| Neal Gay | UN PAC | 0473 | 1970 |
| Raul M. Gomez | C&NW | 0591 | 1973 |
| Ricky L. Gooden | BURL | 1832 | 1973 |
| Kenneth Gruenes | BURNOR | 1426 | 1973 |
| George R. Harrison | CMSTPP | 1916 | 1969 |
| Darryl R. Hendricks | CMSTPP | 0099 | 1973 |
| Thomas H. Holton | AEF | 0670 | 1974 |
| Duane C. Hoover | CMSTPP | 2643 | 1971 |
| Mark E. Howk | BURL | 1832 | 1973 |
| Louis E. Jacobs | AEF | 1049 | 1968 |
| John D. Jeffrey | BURL | 1832 | 1973 |
| David Kennebeck | CMSTPP | 0331 | 1973 |
| David G. Ketchum | BURNOR | 0320 | 1978 |
| John D. King | CMSTPP | 1965 | 1973 |
| Kenneth J. Klover | CMSTPP | 0420 | 1969 |
| John Kostuch | CMSTPP | 2857 | 1971 |
| Robert Kumlien | CMSTPP | 1841 | 1971 |
| Terrence K. Lally | UN PAC | 1133 | 1974 |
| Zenaido Leon Castillo | CMSTPP | 2857 | 1973 |
| Edward W. Lewandowski | CMSTPP | 2643 | 1972 |
| Roy B. Lighthart | CMSTPP | 0036 | 1971 |
| Salvador T. Lopez | CMSTPP | 2857 | 1973 |
| Glenn M. Manke | CMSTPP | 1841 | 1970 |
| Ronald L. Mason | UN PAC | 0473 | 1971 |
| Gary L. Mc Coy | UN PAC | 0473 | 1971 |
| Bartley J. Mc Donough | CMSTPP | 0331 | 1969 |
| Michael R. Mc Grath | CMSTPP | 0331 | 1972 |
| Kenneth L. Meduna | UN PAC | 0473 | 1969 |
| Allan R. Meyer | CMSTPP | 1965 | 1971 |
| Raymond A. Miller | BURL | 2621 | 1971 |
| Dannie N. Mitchell | BURL | 2621 | 1971 |
| Hilario R. Montemayor | C&NW | 2853 | 1973 |
| Jerry B. Morgan | C&NW | 1879 | 1973 |
| Nemesio C. Munoz | CMSTPP | 2857 | 1973 |
| Charles L. Murphy | ICGF | 1210 | 1970 |
| John E. Murphy | BURL | 2621 | 1971 |
| Michael A. Nelson | CMSTPP | 1965 | 1972 |
| Ronald D. Nicholas | AEF | 0670 | 1973 |
| Isaac R. Nunez | CMSTPP | 0036 | 1973 |
| Roberto Ochoa Sr | CMSTPP | 2857 | 1974 |
| Paul D. Oder | BURL | 2621 | 1971 |
| Abraham Ortega | CMSTPP | 2857 | 1970 |
| James A. Pedacchio | CRSF | 0895 | 1973 |
| John H. Pierce | CMSTPP | 1906 | 1971 |
| Gerald E. Poulter | BURL | 2621 | 1966 |
| George A. Prell | CMSTPP | 1916 | 1971 |
| Lawrence J. Purvis | CMSTPP | 2643 | 1971 |
| Ruben M. Quintero | CMSTPP | 0042 | 1973 |
| Larry W. Rainer | ICGF | 0652 | 1971 |
| Joseph J. Reiter | C&NW | 0519 | 1973 |
| Larry L. Remley | BURL | 2621 | 1973 |
| Walter C. Rentz | CMSTPP | 1965 | 1969 |
| John P. Richards | CMSTPP | 1916 | 1972 |
| William E. Richmond | BURL | 1832 | 1973 |
| Ronald H. Sather | CMSTPP | 0420 | 1969 |
| David W. Schanke | CMSTPP | 1906 | 1970 |
| Ronald W. Schlegel | CRSF | 0707 | 1973 |
| Gordon F. Schroeder | CMSTPP | 1965 | 1972 |
| Peter A. Schroetke | CMSTPP | 1965 | 1971 |
| Allan F. Scott | CMSTPP | 2857 | 1972 |
| Tom M. Scully | BURL | 1832 | 1971 |
| Brent K. Sharp | CMSTPP | 0331 | 1973 |
| Rodney G. Sheldon | CMSTPP | 2643 | 1969 |
| Larry L. Shisler | CMSTPP | 1841 | 1971 |
| Robert D. Shrum | UN PAC | 0325 | 1973 |
| William R. Smith | BURL | 1832 | 1971 |
| Pat W. Stevenson | CMSTPP | 1965 | 1969 |
| William E. Strunk | C&NW | 0381 | 1973 |
| Calvin L. Taiton | BURL | 2621 | 1972 |
| Randy D. Thompson | SP ATL | 0376 | 1974 |
| Kent C. Turner | AT&SF | 2414 | 1974 |
| Scott Wagner | CMSTPP | 1841 | 1973 |
| Richard A. Walton | CMSTPP | 1916 | 1973 |
| Mark A. Weber | CMSTPP | 1906 | 1973 |
| Richard D. West | CMSTPP | 0420 | 1970 |
| Louis M. Wieting | CMSTPP | 0331 | 1973 |
| James R. Wilburn | BURL | 2621 | 1972 |
| Donald E. Willing | BURL | 2621 | 1973 |
| Mark S. Wimmer | CMSTPP | 1906 | 1971 |
| Stanley C. Worrell | ICGF | 0652 | 1971 |
| Larry E. Yahn | CMSTPP | 1916 | 1970 |
| Ricardo L. Zavala | C&NW | 0591 | 1973 |
| Richard F. Zeisse | CMSTPP | 0099 | 1971 |

20 year MERIT AWARDS

20 Year Continued from Last Month

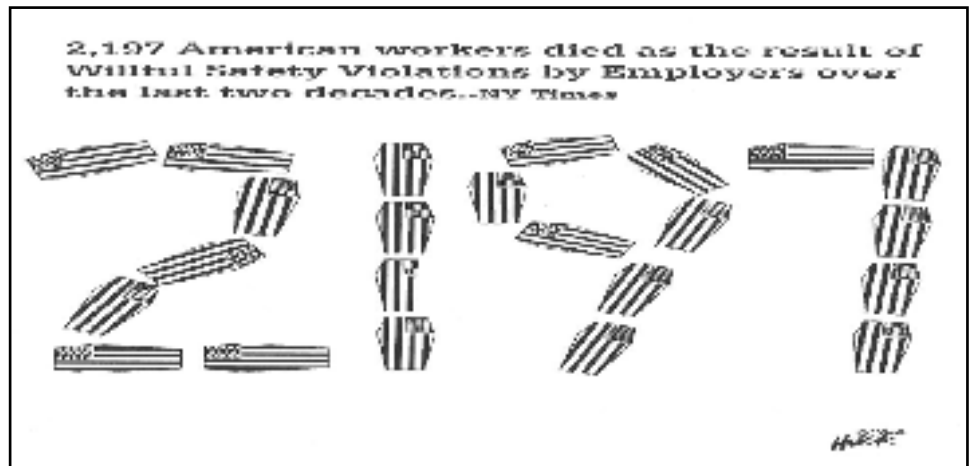
| LODGE NAME | SYSTEM | NUMBER | MEMBER SINCE |
|---------------------|--------|--------|--------------|
| James L. Anson | UN PAC | 0473 | 1980 |
| Joe M. Claussen | BURL | 1832 | 1976 |
| Steven G. Claussen | BURL | 1832 | 1979 |
| Jack A. Clements | AT&SF | 2419 | 1984 |
| Steven C. Davis | BURL | 2621 | 1981 |
| John H. De Groat | CMSTPP | 1906 | 1976 |
| Charles R. Dearman | ICGF | 0652 | 1980 |
| Benjamin D. Dixon | AT&SF | 2400 | 1984 |
| Fred Duboise | AT&SF | 2400 | 1984 |
| Joseph P. Fuimano | CRSD | 2910 | 1984 |
| Leonard Garcia | AT&SF | 2415 | 1984 |
| Michael W. Legler | UN PAC | 0473 | 1978 |
| Patrick R. Martinez | AT&SF | 2415 | 1984 |
| Steve E. Mohr | BURL | 2621 | 1980 |
| Thomas F. Murphy | UN PAC | 0473 | 1979 |
| John J. Mussman | UN PAC | 0473 | 1980 |
| James L. Thornton | AT&SF | 2407 | 1984 |
| Jesus Unzueta | CMSTPP | 2857 | 1977 |
| Donald D. Zulkoski | UN PAC | 0473 | 1975 |

10 year MERIT AWARDS

10 Year Continued from Last Month

| LODGE NAME | SYSTEM | NUMBER | MEMBER SINCE |
|-----------------------|--------|--------|--------------|
| Robert L. Albritton | CMSTPP | 0099 | 1990 |
| Gene A. Anirina | PENN | 3014 | 1990 |
| Alfredo Avila | CMSTPP | 0042 | 1991 |
| Jose A. Banuelos | CMSTPP | 0042 | 1993 |
| Denise D. Bechly | CMSTPP | 0331 | 1989 |
| Michael M. Becker | CMSTPP | 1965 | 1989 |
| Kenneth B. Bennett | CMSTPP | 2643 | 1989 |
| David J. Beranek | CMSTPP | 1965 | 1990 |
| Jeffrey J. Bergstrom | CMSTPP | 1965 | 1988 |
| David G. Betts | CMSTPP | 2643 | 1989 |
| Bruce J. Blanchar | CMSTPP | 1965 | 1990 |
| Gregory S. Bogue | CMSTPP | 0036 | 1990 |
| Saul Bravo | CMSTPP | 0042 | 1993 |
| James A. Brown | CMSTPP | 1916 | 1992 |
| William J. Browne | CMSTPP | 1965 | 1989 |
| Roger W. Brownell | CMSTPP | 1965 | 1990 |
| Alberto Bustamante | CMSTPP | 0042 | 1993 |
| William J. Calvin Jr | CMSTPP | 1841 | 1989 |
| Juan M. Camacho | CMSTPP | 0042 | 1992 |
| Leonardo Camacho | CMSTPP | 0042 | 1992 |
| Gabriel Campos | CMSTPP | 2857 | 1993 |
| Macario N. Cano | CMSTPP | 0042 | 1991 |
| Everardo Carabez | CMSTPP | 0042 | 1991 |
| Richard J. Carpenter | CMSTPP | 1906 | 1990 |
| Ernest R. Castro | CMSTPP | 0099 | 1990 |
| Wences Cervantes | CMSTPP | 0042 | 1992 |
| Paul W. Chapman Jr | BURL | 2621 | 1993 |
| Jose L. Chavez | CMSTPP | 0042 | 1990 |
| Raymond D. Coffman Jr | CMSTPP | 2857 | 1990 |
| Phillip W. Conner | BURL | 2621 | 1992 |
| Michael D. Conway | CMSTPP | 0331 | 1990 |
| Donn L. Cooper | CMSTPP | 1965 | 1990 |
| Manuel J. Cornejo | CMSTPP | 2857 | 1993 |
| Juan Cruz | CMSTPP | 2857 | 1993 |
| Javier S. Cuellar | CMSTPP | 2857 | 1991 |
| James S. Czaplowski | CMSTPP | 1965 | 1989 |
| William J. Dehn | CMSTPP | 2857 | 1993 |
| Mark C. Deml | CMSTPP | 1965 | 1990 |
| Jeff M. Dennison | CMSTPP | 0036 | 1990 |
| Juan M. Diaz | CMSTPP | 0042 | 1990 |
| Elray J. Dock | CMSTPP | 1965 | 1989 |
| Robert J. Dudley | CRSD | 2910 | 1993 |
| Gregory P. Duffy | CMSTPP | 1965 | 1988 |
| Shane M. Edgar | BURL | 2621 | 1993 |
| Jeff S. Ellingsworth | BURL | 2621 | 1993 |
| Wesley G. Ellis | BURL | 2621 | 1993 |
| Richard B. Fechner | CMSTPP | 1965 | 1989 |
| Emery L. Fincham IV | C&NW | 2618 | 1994 |
| Jesus M. Flores | CMSTPP | 0042 | 1988 |
| Jose A. Galvan | CMSTPP | 0042 | 1988 |
| Michael R. Gandy | BURL | 2621 | 1991 |
| Francisco Garcia | CMSTPP | 0042 | 1992 |
| Gildordo L. Garcia | CMSTPP | 0042 | 1990 |
| Joel Garcia | CMSTPP | 0042 | 1990 |
| Leonard Garcia | AT&SF | 2415 | 1984 |
| Salvador K. Garcia Sr | CMSTPP | 2857 | 1990 |
| William J. Garibay | CMSTPP | 2857 | 1992 |
| Mario L. Gavina | CMSTPP | 0042 | 1988 |
| Robert E. Gavel | CMSTPP | 1841 | 1990 |
| Jose L. Gaytan | CMSTPP | 2857 | 1990 |
| Eric J. Genovese | BURL | 2621 | 1990 |
| John C. Gonzales | CMSTPP | 2857 | 1993 |
| Clyde W. Green Jr | CMSTPP | 0042 | 1991 |
| Harry E. Greenwell | CMSTPP | 1965 | 1990 |

| | | | | | | | |
|-----------------------|--------|------|------|-----------------------|--------|------|------|
| Daniel J. Groleau | CMSTPP | 1965 | 1989 | Alberto Palencia | CMSTPP | 0042 | 1992 |
| Salvador L. Guerrero | CMSTPP | 2857 | 1990 | Alfonso P. Palencia | CMSTPP | 0042 | 1988 |
| Terry L. Hacker | CMSTPP | 1906 | 1993 | James L. Pedro | CMSTPP | 1916 | 1990 |
| Gene L. Hall | CMSTPP | 0036 | 1991 | Tim E. Perry | CMSTPP | 1916 | 1990 |
| Eric W. Halpern | CMSTPP | 0331 | 1988 | Guillermo E. Ponce | ICGF | 0469 | 1993 |
| Frederick J. Hammond | CMSTPP | 1906 | 1990 | Randy Pottinger | CMSTPP | 1906 | 1988 |
| Frederick J. Hammond | CMSTPP | 1906 | 1990 | John H. Powell | CMSTPP | 1965 | 1988 |
| Tim C. Harbaugh | CMSTPP | 1965 | 1990 | Steven F. Rabuck | CMSTPP | 2643 | 1991 |
| Steven R. Hendren | BURL | 2621 | 1993 | Edwin J. Raimer | CMSTPP | 1965 | 1990 |
| Shawn L. Herman | CMSTPP | 0036 | 1990 | Noe R. Ramirez | CMSTPP | 2857 | 1990 |
| Bruce M. Howe | CMSTPP | 1965 | 1989 | Ricardo J. Ramirez | CMSTPP | 2857 | 1990 |
| Jetun Jefferson | CMSTPP | 2857 | 1993 | Raul V. Reveles | CMSTPP | 0042 | 1988 |
| Joe D. Kauffmann | C&NW | 2618 | 1994 | Randy J. Ricci | CMSTPP | 1965 | 1991 |
| Ronald E. Knor | CMSTPP | 2857 | 1989 | Robert D. Riddle | BURL | 2621 | 1989 |
| Eric L. Koca | CMSTPP | 2643 | 1991 | James W. Roach | CMSTPP | 1916 | 1990 |
| Frederick E. Kriefall | CMSTPP | 0099 | 1988 | David G. Robinson | CMSTPP | 1906 | 1988 |
| Paul S. Krigbaum | BURL | 2621 | 1992 | Ramon Rodriguez | CMSTPP | 0099 | 1991 |
| Kenneth F. Kruser | CMSTPP | 0036 | 1990 | Enrique S. Ruiz | CMSTPP | 2857 | 1986 |
| Gary L. Kupferschmidt | CMSTPP | 0036 | 1990 | Bradley A. Sanborn | CMSTPP | 1965 | 1990 |
| Alan S. Kupietz | CMSTPP | 1965 | 1990 | Martin Saucedo | CMSTPP | 0042 | 1988 |
| Todd A. Lancaster | CMSTPP | 1965 | 1992 | David W. Shoopman | CMSTPP | 1916 | 1992 |
| Shawn C. Lawrence | CMSTPP | 0036 | 1989 | Danny E. Shores | CMSTPP | 1965 | 1993 |
| Edward W. Lemmons | CMSTPP | 1916 | 1990 | Keith A. Shortreed | CMSTPP | 2643 | 1990 |
| Jose A. Leon | CMSTPP | 0042 | 1990 | Mark A. Shubert | CMSTPP | 0036 | 1990 |
| Abelino J. Lopez | CMSTPP | 2857 | 1990 | Michael J. Simon | CMSTPP | 1965 | 1990 |
| Trinidad A. Lopez | CMSTPP | 0042 | 1988 | Vincent A. Simonini | CMSTPP | 1965 | 1991 |
| Primitivo Marquez | CMSTPP | 0042 | 1990 | Derrick E. Six | CMSTPP | 2857 | 1988 |
| Patrick R. Martinez | AT&SF | 2415 | 1984 | Ronald V. Slack | CMSTPP | 1965 | 1990 |
| Mike J. May | BURL | 2621 | 1993 | Robert H. Smithson | CMSTPP | 1841 | 1990 |
| Richard D. Mc Donald | CMSTPP | 1906 | 1988 | Richard L. Sparks | CMSTPP | 2857 | 1993 |
| Audley G. Mc Ghie | CMSTPP | 2643 | 1990 | Todd D. Starin | CMSTPP | 0331 | 1988 |
| Dale S. Mesick | CMSTPP | 2643 | 1989 | Richard A. Strauss | CMSTPP | 1965 | 1990 |
| John C. Meyer | CMSTPP | 1965 | 1989 | Michelle L. Tate | CMSTPP | 0042 | 1989 |
| Jeffrey L. Miller | CMSTPP | 1965 | 1991 | Terry J. Thibado | CMSTPP | 1906 | 1988 |
| Jimmie E. Moore | CMSTPP | 0099 | 1988 | Tommy L. Tisdale | CMSTPP | 1965 | 1990 |
| Jose L. Morales | CMSTPP | 0042 | 1992 | Norberto Trejo | CMSTPP | 2857 | 1990 |
| Gerald A. Morrissey | SOO | 0893 | 1992 | Mark A. Vazquez | CMSTPP | 2857 | 1987 |
| Timothy S. Morrow | CMSTPP | 1916 | 1990 | Martin Velasco | CMSTPP | 0042 | 1990 |
| Ron W. Moseman | CMSTPP | 1916 | 1986 | Jorge L. Velez | CMSTPP | 2857 | 1990 |
| Efrain Munoz | CMSTPP | 2857 | 1990 | Javier G. Villalobos | CMSTPP | 2857 | 1988 |
| Robert L. Nelson | CMSTPP | 0099 | 1990 | Marlo S. Volden | CMSTPP | 1965 | 1991 |
| Ruben Nunez | CMSTPP | 2857 | 1990 | Kim J. Wander | CMSTPP | 1965 | 1992 |
| Roy J. O Kane | CMSTPP | 1965 | 1992 | Stephen A. Whedon | CMSTPP | 0036 | 1991 |
| Alfonso C. Ochoa | CMSTPP | 0042 | 1991 | James A. Williams Jr | CMSTPP | 0099 | 1990 |
| Joacuin Ochoa | CMSTPP | 2857 | 1989 | Linwood S. Williamson | CMSTPP | 1916 | 1992 |
| Roberto Ochoa | CMSTPP | 0042 | 1990 | Sylvester Willis | CMSTPP | 0042 | 1990 |
| Norman E. Olson | CMSTPP | 1965 | 1990 | Eric E. Witcraft | CMSTPP | 1965 | 1990 |
| Troy D. Orvis | CMSTPP | 1906 | 1990 | Stephen R. Wolter | CMSTPP | 1841 | 1990 |
| Charles R. Otten | BURL | 2621 | 1990 | William L. Yaun | CMSTPP | 1965 | 1988 |



DEATH BENEFITS

Report of Claims Paid during Mar/Apr., 2004

| NAME | LODGE NUMBER | SYSTEM | NAME | LODGE NUMBER | SYSTEM |
|---------------------|--------------|--------|------------------------|--------------|--------|
| CECILIO MARTINEZ | 0875 | PACFED | JAMES HURKMANS | 0721 | C&NW |
| FRANCISCO GOMEZ | 1096 | PACFED | JAMES E. BOULDEN SR. | 1718 | N E |
| EUGENE H. SHORT | 3018 | PENN | JOE L. WOMACK | 1363 | NPW&LE |
| COY L. FLINCHUM | 0671 | AEF | STEVE YAKUPCAK | 0838 | AEF |
| EUGENE G. MILLER | 2705 | AEF | FRED P. ANGELINE | 0362 | PENN |
| JOSEPH W. BROWN SR. | 1155 | AEF | GIRDEN D. SHARPENSTEEN | 0493 | FRISCO |
| GUERRINO BELLINI | 3023 | PENN | NICK PADULA | 1196 | PACFED |
| MARINO D. OLIVER | 1551 | N E | CLARENCE FOGLE | 1055 | BURNOR |
| EDWARD J. FIEBIG | 1867 | AEF | RALPH M. ROBERTS | 0518 | FRISCO |
| ARTHUR C. GARREANS | 1316 | BURL | LEO H. STEINBACHER | 3084 | PENN |
| EARL J. LUCAS | 3052 | PENN | ANTHONY VINCENT | 0305 | CRSF |
| EDWARD J. PEARCE | 1058 | SP ATL | GEORGE B. GRASS | 1159 | N E |
| GEORGE R. WELLER | 1453 | BURNOR | WAINO NIEMI | 0331 | CMSTPP |
| HAROLD F. BOSTROM | 0144 | BURNOR | WILLIAM D. GARRETT | 2286 | MO PAC |
| RALPH H. CREWS | | | | | |

Metra Sets Forth Aggressive Public Safety Campaign!

As a result of a series of tragic incidents involving school age children, Metra has initiated a multifaceted safety campaign designed to promote increased public awareness when individuals are on, near, or around trains and the right-of-way. The program represents the most aggressive safety effort in Metra's nearly 20-year history.

"These events have deeply saddened all of us at Metra," said Metra Chairman Jeffrey R Ladd. "We are reaching out to everyone to ask their help in getting out the message that railroad safety has to be taken seriously." As such, Metra is taking a number of different approaches in its overall campaign. An important first step was to directly contact each police agency in the six-county Metra service territory requesting that they step up their patrols and enforcement around the railroad. With more than 500 route miles and 224 stations, Metra relies on the watchful eyes and ears of local agencies to help monitor the rails. Metra has asked local police to remove trespassing youths from railroad property and notify their parents.

Next, Metra wrote the nearly 3,700 separate school districts in the area asking for their assistance in the effort to educate students of all ages as to the importance of railroad safety. Metra has requested the schools to incorporate rail safety warnings in their daily announcements as a way of reminding students that railroad tracks should never be used as a path or shortcut. Metra also sent to every district a series of age-appropriate safety videos to be used during school assemblies or other safety pre-

sentations. In this latter regard, Metra has encouraged the schools and other community groups to take full advantage of its ongoing Operation LifeSaver program.

Metra has also placed 30-second public service announcements on local television stations, focusing on programming of interest to children (such as Nickelodeon, Fox, ESPN, and MTV). Additionally, Metra ran full-page ads in all city and suburban newspapers, including Spanish language editions, and distributed informational seat drops on all Metra lines, as an appeal from Metra to help keep our children safe. In connection with this part of the campaign, Metra also contacted the Boy and Girl Scout organizations in the region urging their assistance in getting parents and other adults to reach out to their children and discuss rail safety.

"Improving railroad safety is not something Metra can accomplish on its own," stated Philip Pagano, Metra's Executive Director. "It is important to get the parents and guardians involved, along with the schools and the local community: As a key component in this overall effort, Metra has also sought the assistance of its employees. "As railroaders, we are aware of the dangers," added Pagano.

"Nothing can be more important than our individual and collective ability to get the message out to others. I appreciate and value all of the help our employees have provided to the campaign to enhance rail safety and public awareness."

To date, Metra has received a very positive response to its program, including tremendous support and participation from employees and rail labor. "I cannot emphasize strongly enough the importance of this ongoing involvement," said Pagano. "Only by working together

can we take advantage of the opportunity to educate the public to be safe, to be alert, to look, listen, and live."

For more information regarding Metra's public safety campaign, contact Metra's Media Relations Department at 312/322-6760.

New Medicare Legislation (Continued from Page 3)

pitals, and providers belonging to a network; beneficiaries can use doctors, hospitals, and providers outside the network for an additional cost.) Regional PPOs are intended to ensure that beneficiaries in rural and urban areas have multiple choices of Medicare health coverage.

8. What new preventive benefits will be offered?

Beginning in 2005, preventive benefits coverage will expand to include:

- A one-time preventive physical examination within six months of when a person becomes enrolled in Medicare Part B Medical Insurance;
- Screening blood tests for early detection of cardiovascular diseases; and
- Diabetes screening tests for people at risk of diabetes.

9. How and when will the Medicare Part B deductible and premium change?

The annual deductible for Medicare Part B will increase from \$100 to \$110 in 2005. After that, the deductible will be indexed and subject to annual increases.

All beneficiaries currently pay the same basic premium amount for Medicare Part B (currently \$66.60),

which covers outpatient care and doctor visits. Beginning in 2007, the premium will increase for individuals with annual incomes of more than \$80,000, and for couples with annual incomes of more than \$160,000. The amount of the premium increase will be based on a sliding income scale.

Premium changes will continue to be announced at the end of each calendar year. The actual Part B premium amounts for 2007 will not be available until the end of 2006.

10. What information will Medicare put out about these program changes?

CMS plans to mail letters to all Medicare beneficiaries in Spring 2004 to explain the prescription drug discount cards. In 2005, CMS plans to mail informational booklets to Medicare beneficiaries to explain the prescription drug benefit.

In the meantime, CMS will provide information about the prescription drug prices offered by the approved discount card programs, and other information about the Medicare-approved cards, through the Medicare toll-free number 1-800-MEDICARE (1-800-633-4227), and through their Web site at www.medicare.gov.

Statement Of Law and Procedures Concerning Fee Objections

An Agency Fee Payer may object to fees being used for purposes unrelated to collective bargaining. However, he or she must comply with the procedures established in Article XXIV of the Grand Lodge Constitution and By-Laws, as follows:

Sec. 1. An individual residing in the United States who is represented by the Brotherhood, and who has elected to become an agency fee payer may become an objector to expenditures not related to collective bargaining, contract administration, or other chargeable expenditures. An agency fee payer who elects to become an objector through these procedures, shall pay a reduced fee calculated in accordance with Section 5 of this Article.

Sec. 2. To become an objector, an employe represented by the Brotherhood shall notify the Grand Lodge Secretary-Treasurer of his or her objection in a separate envelope by certified mail postmarked during the month of April each year. An employe who desires to object but was unable to make a timely objection because he or she was not subject to a Union Shop Agreement in April must make an objection within thirty (30) days after becoming subject to Union Shop obligations and receiving notice of these procedures. The mailing cost shall be reimbursed. The objection shall be signed and shall contain the objector's current home address and Subordinate Lodge number, if known. The objector shall keep the Brotherhood informed of any change in address. Objections may only be made by individual employes; no petition objections will be honored. An employe who wishes to continue an objection in a subsequent twelve (12) month period shall provide notice of his or her objection each April in the same manner.

Sec. 3. The following categories of expenditure are chargeable to the extent permitted by law:

- a. All expenses concerning the negotiation of agreements, practices and working conditions;
- b. All expenses concerning the administration of agreements, practices and working conditions, including grievance handling, all activities related to arbitration, and discussion with employes in the bargaining unit or employer representatives regarding working conditions, benefits and contract rights;
- c. Convention expenses and other normal union internal governance and management expenses;
- d. Social activities and union business meeting expenses;

- e. Publication expenses to the extent coverage is related to chargeable activities;
- f. Litigation expenses related to contract administration, collective bargaining rights and internal governance;
- g. Expenses for legislative and administrative agency activities closely related to the negotiation or administration of contracts and working conditions;
- h. All expenses for the education and training of members. Officers and staff intended to prepare the participants to better perform chargeable activities;
- i. All strike fund expenditures and other costs of group cohesion and economic action, e.g., demonstrations, general strike activity, informational picketing and the like;
- j. A proportional portion of all overhead and administrative expenses.

Sec. 4. Each March, the Brotherhood shall publish these policies and procedures in the Journal to provide notice to employes represented by the Brotherhood of their right to object and the procedures for objecting. The Brotherhood shall also send a copy of these policies and procedures to each person who objected the previous year to inform the person of his or her right to renew the objection for the current year.

Sec. 5. The Brotherhood shall retain a neutral auditor to perform an independent audit of the records of the Brotherhood and to submit an annual report for the purpose of determining the percentage of expenditures that fall within the categories specified in Section 3. The amount of the expenditures during the previous fiscal year that fall within Section 3 shall be the basis for calculating the reduced dues or fees and assessments that must be paid by the objector for the current fiscal year. For each objector, an amount shall be placed in an interest-bearing escrow account equal to the advance reduction provided the objector, as calculated by the neutral auditor, or such other amount as the neutral auditor may recommend to assure that the escrow amounts adequately cover any necessary adjustments in the calculation of chargeable activities. The auditor shall also verify the existence and the amounts of money in any escrow accounts.

Sec. 6. The neutral auditor shall complete the report for the current fiscal year no later than August 31. This report shall include an analysis of the major categories of union expenses attributable to chargeable and non-chargeable activities. A copy of the neutral auditor's report shall be sent to each person who

made an objection in the current and previous year.

Sec. 7. Each person entitled to receive the audit report may challenge the legal and arithmetic bases of the calculations in the neutral auditor's report by filing an appeal with the Grand Lodge Secretary-Treasurer. Such appeal must be made by sending a signed letter to the Secretary-Treasurer postmarked no later than thirty (30) days after the date that the audit report was mailed.

Sec. 8. All appeals received by the union within the time limits specified above shall be determined by expeditious referral to an impartial arbitrator chosen through the rules of the American Arbitration Association (AAA) for the impartial determination of union fees. The Brotherhood shall notify the AAA that challenges to the calculation of its fees and assessments have been received from one or more persons and include the names and addresses of the persons who filed the appeals and who must be notified of the proceedings. Thereupon, in accordance with its rules, the AAA will appoint an arbitrator and notify the Brotherhood and the challenger. In addition, the following rules shall apply:

- a. All appeals shall be consolidated and heard as soon as the AAA can schedule the arbitration and shall be at a location selected by the AAA to be the most convenient for those involved in the proceeding.
- b. Each party to the arbitration shall bear its or their own costs. The challengers shall have the option of paying a pro rata portion of the arbitrator's fees and expenses. The balance of such fees and expenses shall be paid by the Brotherhood.
- c. Challengers may, at their expense, be represented by counsel or other representative of their choice. Challengers need not appear at the hearing and shall be permitted to file written statements with the arbitrator instead of appearing. Such statements shall be filed no later than the beginning of the hearing before the arbitrator. Post-hearing statements may be filed in accordance with the provisions of Section 8(g).
- d. Fourteen (14) days prior to the start of the arbitration, challengers shall be provided with copies of all exhibits or a list of all such exhibits intended to be introduced at the arbitration by the Brotherhood and a list of all witnesses the Brotherhood intends to call, except for exhibits and witnesses the Brotherhood may introduce for rebuttal. When a list

of exhibits has been provided, any challenger shall have a right to receive copies of such exhibits by making a written request for them to the Grand Lodge Secretary-Treasurer. Additionally, copies of all exhibits shall be available for inspection and copying at the hearing.

- e. A court reporter shall make a transcript of all proceedings before the arbitrator. This transcript shall be the official record of the proceedings and may be purchased by the challengers. If challengers do not purchase a copy of the transcript, a copy shall be available for inspection by challengers at the Grand Lodge during normal business hours.
 - f. The arbitrator shall have control over all procedural matters affecting the arbitration in order to fulfill the dual needs of an informed and an expeditious arbitration. The arbitrator shall set forth in the decision the legal and arithmetic bases for the decision, giving full consideration to the legal requirements limiting the amount that objectors may be charged.
 - g. The parties to the arbitration shall have the right to file a post-hearing statement within fifteen (15) days after both parties have completed submission of their cases at the hearing. Such statements may not introduce new evidence or discuss evidence not introduced in the arbitration. The arbitrator shall issue a decision within forty-five (45) days after the final date for submission of post-hearing statements or within such other reasonable period as is consistent with the AAA rules and the requirements of law.
 - h. The decision of the arbitrator shall be final and binding on all findings of fact supported by substantial evidence on the record considered as a whole and on other findings legally permitted to be binding on all parties.
 - i. Upon receipt of the arbitrator's award, any adjustment in favor of the challenger will be made from the escrow account. Any adjustments in favor of the union shall be due and owing within thirty (30) days. An individual failing to pay any adjustments in full within the prescribed thirty-day period will be considered as being in non-compliance with provisions of the Union Shop Agreement.
- Sec. 9. The provisions of this procedure shall be considered legally separable. Should any provision or portion be held contrary to law by a court or an arbitrator, the remaining provisions or portions thereof shall continue to be legally effective and binding.

BMW Legislative Issues – 108th Congress

BMWE's Department of Government Affairs in Washington, D.C. is currently working on the following legislative issues. You may also track these issues and more at our main website www.bmwe.org (clicking on the BMW Legislative link) or go to www.bmwewash.org for a complete legislative update.

Asbestos (FELA)

On April 7, Senators Orrin Hatch (R-UT) and Bill Frist (R-TN) introduced a revised asbestos bill – the Fairness in Asbestos Injury Resolution Act of 2004 (S. 2290). This new bill fails to remedy critical flaws in the original FAIR Act (S. 1125), and in several important areas represents a major step backwards. The new measure incorporates the funding “agreement” reached by defendants and insurers last October, which reduced by funding provided in S. 1125 by more than \$40 billion. It also eliminates or significantly weakens key provisions that would protect victims from being left without an effective remedy during the transition to a new system or if the fund runs out money. The result is a partisan measure that fails to provide asbestos disease victims fair and certain compensation.

On April 15 the AFL-CIO sent a letter to Senators urging them to oppose S. 2290 and request that they vote against any motion to proceed to consideration of this flawed legislation. The following major deficiencies were cited in the AFL-CIO's letter: 1) Unfair compensation for victims; 2) Inadequate funding and solvency problems; 3) Unfair treatment of victims with pending claims; 4) Elimination of start-up protections; 5) No provision for medical screening of high-risk workers; 6) Pre-emption of FELA – The Workers' Compensation System for Rail Workers.

As expected, the Senate rejected a motion to force a vote on the bill. On April 22, the motion to end debate won a slim 50-47 majority, short of the 60 votes needed. Senator Zell Miller (D-GA) was the only Democrat voting in favor of cutting off debate; no Republicans opposed it. The bill's fate is unclear. However, the parties will continue to seek a compromise.

Senator Arlen Specter (R-PA) has been working over the past year with both sides trying to work out a compromise.

The AFL-CIO and Rail Labor continue to oppose S. 2290 until such time as the FELA issue and the other concerns raised by the AFL-CIO are fully and fairly addressed.

Rail Security

On April 8 the Senate Commerce Committee approved the Rail Security Act of 2004 (S. 2273), a bipartisan bill introduced by Chairman John McCain (R-AZ) on April 1. Chairman McCain worked with Democratic Senators who sponsored S. 2216. McCain's bill would authorize more than \$1 billion in rail security improvements and require the Department of Homeland Security to conduct a complete assessment of railroad security vulnerabilities. Amtrak would receive \$670 million to help complete security and safety upgrades to tunnels between Washington and New York. The bill would authorize \$63 million for other Amtrak security upgrades and \$250 million for other rail systems.

The TTD Rail Labor Division worked with Senator Frank Lautenberg (D-NJ) to successfully include an amendment that will provide rail workers with whistle-blower protections for reporting threats to rail security. The Rail Division plans to continue their work to strengthen the bill by seeking to include a curb on the dangerous practice of remote control locomotives and by making improvements to the whistle blower provisions.

It is unclear when the Senate will take up the measure. Many critics of Amtrak are hesitant to put any more money into the rail line without restructuring the way it does business.

Chairman Quinn (R-NY), T&I Railroads Subcommittee, held an oversight hearing on rail security on May 5. Ed Wytkind, President, AFL-CIO Transportation Trades Department, testified on behalf of 35 AFL-CIO transportation unions. He outlined a number of initiatives aimed at rail workers including 1) mandatory and rigorous security training for employees; 2) strengthened whistle-blower protections against harassment; 3) federal regula-

tions governing the use of remote control locomotive technology especially when transporting hazardous materials in and around train stations and rail yards; and 4) increased security regarding access to rail facilities, unattended trains, and preventing intruders from entering locomotive cabins.

TEA Reauthorization

On March 24, the House Transportation and Infrastructure Committee approved its six-year highway bill (H.R. 3550) and on April 2, the full House passed H.R. 3550 authorizing \$284 billion. Funding fights and policy differences are expected when House and Senate conferees attempt to reconcile the \$318 billion the Senate bill would authorize over the \$284 billion in the House bill. Senate Majority Leader Bill Frist (R-TN), and Minority Leader Tom Dashle (D-SD) are deadlocked on the ground rules for a House-Senate conference. President Bush, who sought \$256 billion over six years, has threatened to veto both measures. House and Senate Leaders plan to meet with Administration officials to settle on an overall funding level for the six-year bill.

The House passed an extension of current surface transportation programs (H.R. 4219) on April 28, however, Senator Bond (R-MO) placed a hold on the bill saying he would not lift it until Senator Dashle agreed to allow the Senate to name conferees to reconcile the Senate and House passed bills. A hold prevents the unanimous consent necessary to take up the bill on the Senate floor. Senate Majority Leader Frist convinced Bond to lift his objections to letting the extension go forward, and the Senate cleared the two-month extension on April 30.

Both bills contain provisions covering Rail-Highway Grade Crossings, Rail Transportation, and Hazardous Materials Transportation. The Senate bill (S. 1072) includes a \$2 billion authorization per year for Amtrak without mandated reforms as proposed by the Administration. However, it makes unwarranted changes to Section 13(c) employee protections for transit and commuter rail workers. Section 3032 of the bill reduces the Section 13(c)

protective period of displaced or dismissed employees from six to four years. It further states that an arrangement under Section 13c shall not guarantee continuation of employment as a result of a change in private contractors through competitive bidding unless required under existing collective bargaining agreements, through the continuation of collective bargaining rights, or through assurances of employment to employees of acquired mass transportation systems. This section includes a clarification that existing protections for freight rail workers are not affected by these changes. Language is also included that codifies existing 13(c) case processing for grants to purchase like-kind equipment or facilities, and amendments to be certified on the basis of existing agreements, without referral. We strongly oppose these changes, and are asking House members to urge Chairman Young to reject the above 13(c) provisions in the final conference report of H.R. 3550.

Railroad Retirement FY 2005 Appropriations

On March 17, Presidents of the TTD Rail Labor Division and Ed Hamburger, President, Association of American Railroads sent a joint letter to the Senate and House Chairman and Ranking Member of the Subcommittee on Labor, Health and Human Services and Education, Committee on Appropriations regarding FY 2005 funding for the Railroad Retirement Board (RRB). Rail Labor and the AAR urged the committee to support the RRB's funding request of \$110,660,000 for FY 2005, plus an additional amount sufficient to permit the Board to begin modernization of their information technology infrastructure.

The Board's recent budgets have not permitted the hiring of new employees to replace those who will soon retire, and they predict the failure to hire and train new employees could cause serious service problems in the very near future. In addition, the Board has been unable to address the modernization of its critical information technology systems which could also lead to service disruptions.



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