



INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS DISTRICT LODGE NO. 19

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January 22, 2010

Subject: National Freight Negotiations

Re: Meeting on January 19, 2010

TO: All IAM&AW Members Subject to National Freight Agreement

Dear Sisters and Brothers:

I want to take this opportunity to advise you of the contents of our first bargaining session with the National Carriers Committee Conference (NCCC).

The meeting began with TCU President Robert Scardelletti of our Coalition presenting the common issues of our Section 6 Notice. This was followed by IAM&AW PDGC and Railroad Coordinator Joe Duncan presenting the Shop Craft issues of our Section 6 Notice.

The Carriers presented an overview of their Section 6 Notice and proceeded to advise that 2009 was a very bad year for the Carriers and that 2010 is starting out not much better. They cited very low non rail agreement settlements and the recent BLE Agreements that had very small wage increases as the normal agreements.

The Carriers then turned to Health and Welfare by stating that Health Cost is running away and that the cost is going the wrong way. In fact, the Carriers stated that the way it is going, the rate by 2014 of cost will be much higher and that the Carriers cost would be about \$1716.00 per employee per month.

The Carriers went on to state that the whole Plan is out of whack with the rest of the world and is not efficient financially. In the end result the Carriers want to overhaul the entire Health and Welfare Plan, make several major design changes, without as they say affecting care, thus they want the entire plan on the bargaining table.

As you can see, the Health and Welfare Plan is the major issue in this round of bargaining and I want to assure you that I will stand strong against the changes they want, as I feel the rest of the Coalition will also.

We attempted to schedule many dates for future meetings; however the Carriers calendar was fairly full. Therefore, the next scheduled meetings are April 6, 7, & 8, 2010 and July 7 & 8, 2010 in Washington, DC.

We will attempt to keep you informed as the negotiations continue and I want to thank you for your support.

Sincerely and fraternally yours,

A handwritten signature in cursive script that reads "Joe R. Duncan".

Joe R. Duncan

Pres. Dir. Gen. Chairman/Railroad Coordinator

C: R. Roach, Jr.

S. Pantoja

District 19 Staff