

International Association of Machinist and Aerospace Workers

District Lodge 19



John Lacey

Acting President
Directing General
Chairman

CONTRACT NEGOTIATIONS:

Contract Negotiations began in January 2015. On Tuesday, November 3, 2015 after several meetings between the Coalition of Unions and the National Carrier's Conference Committee (NCCC) the Coalition Partners met with the mediators from the National Mediation Board (NMB) since that time the Mediators have overseen the negotiations.

On Thursday, February 11, 2016 District Lodge 19 along with the Coalition Partners presented our proposals under Attachment 'C', which covers improvements to vacation, holidays, personal leave and bereavement. This is fully explained on the District 19 Website. (DistrictLodge19.com)

Thursday, May 26, 2016 District Lodge 19 and the Coalition Partners were awaiting counter-proposals from the NCCC. Discussions about future meeting dates and unfortunately no new information to report.

Tuesday, October 25, 2016 our shop craft coalition which includes IAM, TCU, BRAC, IBEW and TWU met in mediation with the NCCC to continue National

Negotiations. The cost of the National Health and Welfare plan was the main topic of discussion. There was a productive round of negotiations tentatively held December 6 and 7, 2016. At this point we are anticipating the next round of negotiations to be tentatively held February 22, 2017.

National Negotiations with the freight railroads and the IAM Coalition remain stalled, hostage to the Carriers' unremitting demands for major concessionary changes to the healthcare plan. Since the negotiations started in 2015 little progress has been made.

Each side has exchanged voluminous information with the Carriers emphasizing what they consider to be high costs of the National Health Insurance Plan relative to other industries, including non-union. The IAM coalition has stressed how much the plan design savings from the last contract have gone to hold down costs, that employees are paying enough now, and comparing us to non-union industries is a non-starter. The parties also remain far apart on wages. At a recent session, the Carriers added a host of concessionary work rule demands to their agenda.

The Coalition consists of: IAMAW Machinist, IAM/TCU Carmen and Clerks, IBEW, TWU. There are two other coalitions meeting with the NCCC.

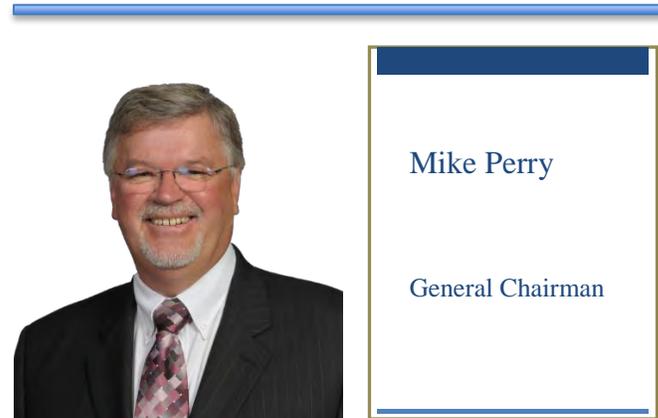
The election of President Trump puts the prospect of a Presidential Emergency Board into the distant future. A whole new Nation Mediation Board (NMB) will have to be appointed and confirmed and it's expected that process will take many months. From the beginning, both sides said they prefer a voluntary settlement, but the gap in health care expectations continues to make that problematic.

I wish to thank all the staff of District 19 for their hard work and dedication. We are making a lot of changes in our district and we are looking forward to a bright future.

2017 is filled with challenges that we are more than ready to meet head on. To all the membership thank you for all you do, and all your support.



Any members with question regarding the FSA should call United Healthcare at (888) 398-9754 or visit, "Your Track to Health."



Health Care Benefit Update:

On December 22, 2016 the Director Employee Benefits from the national Railway Labor Conference notified us that the Members of District 19 will keep their health Flexible Spending Accounts (FSA) through 2017 thanks to an increase of participation in this money-saving plan.

This negotiated benefit in the national Agreement, (FSA) allows members to use pretax dollars to pay for certain medical expenses that are not covered under the health plan or any other source. The plan could allow members to save hundreds of dollars per year in taxes.

Following the conclusion of the Open Enrollment for the 2017 plan year, 4.03% of eligible IAMAW members had enrolled in the program, which is up from the 3.41% participation level achieved during the 2016 plan year.

The FSA program has proven to be a money saver for District 19 families, we are encouraged by our membership's steady participation level and optimistic that it will continue to increase as the word spreads about the Plans benefits and more members become familiar with the positive aspects of the plan.

Members of South Central Florida Express, a short line railroad in Clewiston FL. ratified their third contract this past October. This contract brought pay raises, an additional paid time off day and several work rule improvements. The members of SCFE are in their busiest season. During sugar cane harvest season they haul sugar cane from the fields to the US Sugar Mill to be processed. In addition to hauling sugar cane they also transport citrus products and other freight. I would like to especially thank Local Chairman Mark Thompson for his hard work during the negotiation and ratification process of this contract. We are honored to have the Members of SCFE, Local Lodge 57 as part of District Lodge 19.



Annual District Lodge 19 Guide Dogs of America Golf Tournament.

The date of District Lodge 19 Annual GDA golf tournament has been set for Monday May 1, 2017. Once again it will be at the Chattanooga Golf and Country Club, 1511 Riverview Road, Chattanooga TN. (<http://www.chattanoogaqcc.org>) Chattanooga Golf course is a private course; unless you are

member, this is the only way that you can play this premier golf course. Flyers are presently being prepared and will be sent to Local Lodges very soon. We are asking that all Local Lodges please support this golf tournament. Your Local Lodge can support the Guide Dogs by sending a team, being a sponsor or just simply making a donation to the tournament. Our past two tournaments have been very successful and have raised tens of thousands of dollars for the Guide Dogs of America. We will greatly appreciate your support and would like to see you there.



Lee Carter
General Chairman

I have been given a new assignment due to restructuring the district. As the Communicator I will produce the Quarterly Newsletter and update the Website, as Organizer I will do organizing within our district, Fund Raising for Machinist Non-Partisan Political League (MNPL), and will be servicing the members on: Colorado and Wyoming (C&WRR) who will be preparing for section 6 notices this month. San Joaquin Valley Railroad, (SJVR) who started Negotiations January 2017. The Kansas and Oklahoma Railroad (K&O) and United Industries (Progress Rail).



MACHINIST NON-PARTISAN POLITICAL LEAGUE (MNPL)

Brothers and Sisters no matter what our personal feelings are toward politics it is a fact that every minute of every day we are controlled or regulated by some aspect of local, state or national politics. The

Machinist Union has the opportunity as well as the responsibility to educate politicians, the general public and our members about the issues that concern us as trade unionists, individuals and as family members. The Machinists Non-Partisan Political League (MNPL) education Fund is formed to do just that.

Most politicians have very little understanding let alone know of the existence of the Railway Labor Act, the Railroad Retirement Board, and the National Mediation Board or of our members covered under the National Labor Relations Act. Many of our members do not have a clear understanding of how these or other political and economic factors affect our jobs and our families. One purpose of the MNPL Education Fund is to provide information to our members as well as the politicians who can have a positive impact on our jobs, our families and our lives. To do the necessary research and produce print, video, and cyber information that can be distributed to educate our membership, political representatives and the general public, explaining our positions, our needs, and the unseen benefits our labor and effort provides to each and every American, the MNPL Education Fund needs contributions from Local Lodges.

In late 2015 a House Resolution 2050 was put on the floor to repeal the Excise Tax, which would have taken effect in 2018. Though the resolution was not passed. A postponement of the Excise Tax was made so that it would not take effect until 2020. This Excise Tax has had a profound effect on the Members as the Carrier's would have to pay a 40% Tax on our Medical Coverage. This Excise Tax needs to be repealed and not just postponed. This is only one issue, but there are many others to educate Congressmen and Senators about. Please remember to support our MNPL Education Fund.

Be a part of the 19/19 club: District Lodge 19 has created the "Nineteen Club" to assist our members in contributing to the MNPL fund. For \$1.90 per pay period, \$3.80 per month, you can become a member of our "Nineteen Club" and receive a pin to wear proudly. Help us continue to fight to protect your job, health insurance and pension. The amount references our great history of the original 19 members who formed this great union. Once you join you will receive a pin commemorating your voluntary

status. A voluntary form to join will be sent along with the newsletter to each Recording Secretary of all Local Lodges (Please feel free to make copies as needed of this form). Your generous support is always needed. More and more the bills introduced into the Senate and House of Representatives affect our jobs, lives and families. Educating those who vote on these bills need to know how they affect us and how we want them to vote on our behalf. Knowledge is power.



K&O Shortline Railroad in
Wichita, KS.

Local Lodge 356 held a successful Informational Picket at this property October 6, 2016. The picket was to bring to the public's attention the unfair and union busting tactics being used against our members on this property. We were joined by the Kansas State Council of Machinists and members from Local Lodge 839 out of District 91 from Southern Division of the IAM. Members from LL 378 out of Topeka, Team Members from the K&O Railroad and General Chairman Kyle Loos and Myself.

As a point of information, the K&O, a subsidiary of Watco, is the first Class III Railroad organized under the RLA in their system. Watco has basically declared war from the first day these courageous men voted to join the IAM. The treatment they have received since joining our Union is unconscionable. Watco has been trying to break the Union from day one but these men have persevered and are more determined than ever to win Justice and Dignity on the Job. To date District 19 has over 250 Claims and Grievances against the K&O awaiting Arbitration. More come in each day as they challenge the Controlling Agreement. A to PDGC Orwan met with the K&O to negotiate settlement of outstanding claims from 2015 and 2016 on February 14, 2017.



Andrew
Sandberg

General Chairman



Appalachian and Ohio Railroad.

Negotiations for a new agreement will start this year on the A&O Railroad. .



Bombardier operating the
MARC commuter railroad

Negotiations with Bombardier for almost two years brings us close to having a tentative agreement to put out for our members to vote on.



Canadian National Railroad

There have been several investigations on CN throughout 2016. CN did furlough two Machinists in Jackson Mississippi, four Machinists in Memphis TN, three Machinists in Centralia Illinois and one Apprentice at the Homewood Illinois shop. All furloughed Machinists have been offered Machinist jobs at the Proctor and Rainer Minnesota shops as well as the Homewood Illinois and Waterloo Iowa shops. This February we were able to get the Apprentice from Homewood reinstated. CN has been restructuring their management style and bringing back work to our shops that was subcontracted. This restructuring brought about the need for more Machinists. Currently CN is hiring at the Waterloo, Iowa, Proctor and Rainier Minnesota Shops. If anyone is interested, please let me know.



CSX Roadway Mechanics

There were several outstanding grievances most of which related to per-diem payments. A remedy to the

per-diem grievances came out of negotiating with the Carrier, leading to a settlement in September 2016 defining what the word "away" meant regarding per-diem payments in the agreement. The settlement included payment of all grievances filed for per-diem, dollar amounts owed still pending. To date the first five total over \$25,000. In the spring of 2016 Carrier changed Regional jobs from four ten hour days to five eight-hour days per week, after talking with management there will be 72 new four ten hour jobs which started in January. Several discipline cases since July of 2016 have been settled, one had lost time and the settlement was \$3,301.50, which covered all lost pay and made the claimant whole. There is one dismissal case pending arbitration to Public Law Board 7539.



GRW is a Class III switching carrier and operates on 63 miles of Yard Track at Gary, IN.

The Gary Railway did break away from National Negotiations in all aspects except the National Health & Welfare Plan the District has only had one meeting concerning contract negotiations. After the meeting all the Organizations agreed to suspend negotiations until the national contract would be settled so that we would know what impact, if any, changes the National Health and Welfare Plan would affect the members on the Gary Railway.



The IHB covers Northwest Indiana, suburbs of Chicago, Illinois

Working on several issues stemming mostly from new management and a new shop committee. In the next couple of weeks will be work on several issues with the Carrier. One member made whole as a result of Public Law Board 7762 for five days of lost pay. Also, two other members were paid over \$1400.00 for old claims that were settled but not paid.



Indiana Southern Railroad

Negotiations began on this railroad in April 2016. The carrier was trying to eliminate the maintenance of way department and seven of our members. Through

negotiations, I have been able to retain some of this work. Negotiations are ongoing and I will continue to work on this carrier until we can come to some reasonable agreement.



METRA Chicago

METRA continues to have issues come up almost every week. After our new mediated agreement that was completed in January of 2016, I brought one case to Public Law Board 7474 for adjudication, we won this case and were able to get our member made whole after a ten-day actual suspension that he had in 2014. Currently I am waiting for responses from three discipline appeals and am awaiting the decision of one investigation. We have been waiting for one case to be funded for a sub-contracting claim that was submitted to the national mediation board in 2016.



North Carolina & Virginia Railroad

This railroad has been very slow business wise. I have no issues on this railroad at this time.



New Orleans Public Belt

Working to negotiate an updated agreement but has not been able to devote the time needed to do it. I will continue to work on this however no other issues exist.



National Railroad Equipment

This is not a railroad, it is a locomotive rebuild shop in Paducah Kentucky. This business has been very slow all year and had 35 members furloughed during the summer of 2016. I have been in contact with management to see how we may help with business.



Paducah and Louisville Railroad

I negotiated a new agreement on this railroad in 2016. It was ratified in May and provided full back pay, 3% raises each year for 5 years and improvements to personal day usage.



Palmetto Railway
Charleston South Carolina

This Carrier is working on expanding their system. One job was added in 2016 with several more slated for 2017.



Jim Davis

General Chairman



Michael McCarthy

General Chairman



Amtrak was served its Section 6 notice in 2015 and have been under ongoing negotiations since that time. Update on how the negotiations are going will be seen in the next Newsletter. Along with updates on the District 19 Webstie.



Union Pacific Railroad (UPRR)

The big news of 2016 was that Union Pacific Railroad closed its Maintenance Facility in Dnever, CO in February 2016, affecting about 200 jobs many of which were IAM Machinist jobs. These Changes were made due to the coal carloads in Colorado being reduced because of the downsizing of the Coal Industry.

Union Pacific worked with employees to relocate them in North Platte, South Morrill and Little Rock, Arkansas. About 90 employees stayed in Denver, most of these were not Machinists, the remaining employees were moved. In 2016 11 cases were adjudicated with a resolution of three members returning to duty.



Kansas City Southern Railroad is a Class 1 Freight Railroad (KCS).

A Section 6 notice was served November 2014 and negotiations began in 2015 and are on going. In Late 2015 it was requested to enter into mediation by the Coalition of Unions with Federal Medication through the Nation Medication Board. Updates are posted on the ***DistrictLodge19.com*** website.



San Juaquin Valley Railroad - Genesee & Wyoming Inc. (SJVR)

The Section 6 Notice went to the SJVR November 2016 and Negotiation are scheduled to begin January 2017. Updates will be posted on the IAM District 19 website.

Due to restructuring of the district Lee Carter will be handling these members as of January 1, 2017.



Southeastern Pennsylvania Transportation Authority.

The Commuter Railroad serving Bucks, Chester, Delaware, Montgomery and Philadelphia Counties was served a Section 6 Notice November of 2016. Negotiations are scheduled to begin January 2017.



(TASI) the Commuter Railroad serving San Francisco and San Jose California were served a Section 6 Notice November 2016 and are scheduled for negotiations to begin February 2017.



After our initial 2 year agreement since they took over the service from Massachusetts Bay Commuter Rail in Boston Mass., became amendable July 1, 2016. We served our Section 6 on March 28, 2016, in our section 6 we are looking for:

- 5 years of wage increases
- Increase in Skill differentials
- Increase in OT rates
- Contracting out language
- Sick Time
- As well as many other important items.

We have held 2 meetings with this carrier, the first meeting was held as an individual group where the carrier presented its Section 6 which requested numerous concessions. After said meeting I sent a request to Mr. Sito Pantoja, the G.V.P. of the Transportation Department, to join a coalition consisting of the TCU Clerks, ARASA, NCFO, and the IBB of which he granted us permission. The second meeting we sat down with the carrier as a powerful coalition, of which we expect to grow with the other unions of the property as negotiations continue, putting forward our collective proposal. I foresee a lot of good things coming out of this coalition,



The Long Island deal that was fought so hard for against the MTA, went to 2 Presidential Emergency Boards and as far as 2 days from a strike has come to an end. The contract became amendable as of 12/16/2016 and after doing a survey of the membership I produced and submitted a section 6 on 9/30/2016. Some of the items of the section 6 are:

- 5 years of wage increases
- Increase of skill and night differentials
- Longevity Pay
- Increase Shoe allowance
- COLA
- Strengthen Contracting out language
- Increase in Health and Welfare benefits
- As well as many more

The carrier has submitted to the organization a very large section 6 with many requests and concessions. We will be meeting with the carrier soon for the first time at which the carrier and the organization will put our positions straight.



The Metro North deal that was based on the hard fought LIRR deal becomes amendable as of 1/16/2017. After doing a survey of the membership I produced and submitted a section 6 on 10/10/2016. Some of the items of the section 6 are:

- 5 years of wage increases
- Increase of skill and night differentials
- Longevity Pay
- Increase Shoe allowance
- COLA
- Increase Tech. Rates
- Reduce Wage Progressions
- 100% pay on sick days used
- As well as many more

The carrier has yet to submit to the organization its section 6. I will looking to set up a meeting with the carrier as soon as possible for our first meeting.

ALSTOM

In April of this year the membership of ALSTOM overwhelmingly ratified by 98% a 5 year contract after voting down the first contract that was presented. Under the new contract:

- New hires received a wage increase of \$1.20 an hour.
- All employees received 2% wage increase a year and a 2.5% in the last year
- By the end of the contract the company will be putting a \$1 an hour into the IAM Pension Fund for each employee
- Mandatory OT caps
- No healthcare changes
- Reduction to probationary period

Also this year, after a lot of hard work, the IAM and ALSTOM, together, solidified and captured the New Amtrak Acela contract. This contract worth \$2.4 Billion has ALSTOM solely building the new ACELA trains to replace the current fleet. This contract sets the standards for all high speed rail in America.



After 2 Presidential Emergency Boards and hours from striking our membership overwhelmingly ratified a new contract by 97%. The contract contains:

- 21% wage increase over 8 years

- Full Retroactive pay for all current employees.
- Full Retroactive pay for any employee who retired during this contract.



The membership there after having constant ups and downs with service due to local paper mills opening and closing has helped the carrier obtain a contract with Poland Spring Water to transport drinking water. This contract has brought in much needed service and revenue in the areas that our membership works.



Derrick Battle

General Chairman



Union Pacific Railroad (UPRR)

Continue to update the membership on the National Negotiations. It is the hot topic for all the members.

5 Machinist have been recalled in South Morrill, NE. There are plans to hire two machinist at Livonia, LA, two machinists in Portland, OR and two machinists in El Paso, TX. This will take place at the first part of 2017.

IF there are any furloughed members with Union Pacific or any other Railroad who are interested in these positions, feel free to contact Jim Davis or myself directly.

During the Transition to from Denver, CO to North Platte five members were furloughed after a month

at the new location. Their salaries were protected under the controlling agreement.



Kyle Loos
General Chairman



SOO Line Railroad covering North Dakota to Michigan.

Our Bargaining coalition remains strong and we are working towards an agreement worthy of the member's needs. Forced overtime due to lack of manpower and excessive discipline remain as serious issues. I have been working with the General Chairman of the other Organizations to resolve these issues and we have requested a meeting with the VP of Mechanical to discuss.



Belt Railway Company of Chicago



Lake Superior & Ishpeming Railroad

I recently visited the Belt in November. I want to thank the members for their hospitality. As a party to the NCCC the Belt is under National Negotiations. Watch the District website for updates and further information.

Our Bargaining Coalition remains optimistic that we can and will get a reasonable agreement. We will continue to meet with the Carrier to further negotiations until we can achieve a fair agreement. As the Lake Superior shipping season draws near members will continue to provide excellent maintenance to the locomotives and other projects.



Burlington Northern Santa Fe Railway Co.

There has been some recent hiring in Chicago and Galesburg. Meetings are scheduled in Fort Worth in February for System LAT and SACP. Continue to monitor the District webpage for National Negotiation updates. Due to John Reppond retiring from the Argentine shop, there has been some Management changes at several locations.



John Denny
General Chairman



Dakota, Minnesota and Eastern Railroad

Negotiations have been slow with little or no progress to date. We will continue to meet with the Carrier to reach a fair agreement. Due to the locomotive shop closures at Nahant and Mason City and lack of manpower in the car department the workload remains high with excessive overtime.



Burlington Northern Santa Fe Railway Co.

All furloughed Machinists have been recalled in Denver, CO, In Alliance, NE and Glendive, MT some of those furloughed have been recalled.

On February 1st and 2nd there was a SACP meeting scheduled in Fort Worth, TX. Updates were given on the status of BNSF as a whole and what the plans for 2017 will be.

Colorado & Wyoming Railway Company

They were served a Section 6 Notice at the end of January. Negotiations will begin in April.

Montana Rail Link

Section 6 notices were given by the Coalition Partners and IAM prior to the April 1, 2016 date. Negotiations have been continuous though out 2016 only one month having no meeting. Another meeting is scheduled in January 2017 and we will start to prepare for Craft Specific negotiations.



James Orwan
General Chairman

Help us welcome the newest member of District Lodge 19 Staff General Chairman James Orwan. Mr. Orwan will begin his new assignment February 1, 2017 servicing the membership on the Norfolk Southern Railroad.



Heath Jacobs
General Chairman

Burlington Northern Santa Fe Railway Co.

The BNSF Silsbee, TX shop is reopening after a closure of 10 years and will bring in 8 new Machinist positions. In Houston, TX BNSF will take back the Millbie Street Facility from Sub-Contractors which was sub-contracted for the past 25 years. BNSF has also bought three short line railroad in Texas and plans to have them up and running by April 2017. Looking to see if this brings in new Machinist positions.

