

Update - USW Railroad Crew Hauling Project

February 6, 2017

It has been a busy time for the Union over the past year and as you read this Update you should realize you're getting one heck of a bang for your union dues buck. The UPSEU and the USW now have contracts with all three major crew hauling companies and this will be a combined report on what's happening across the industry.

- **PTI Wage Increase Grievance:** As most PTI drivers know, the company failed to increase some drivers wages for 4/1/2016, as called for and historically implemented under the contract. The company has used about every stalling tactic it possibly can to avoid resolving this issue. We have presented them with a second panel of Arbitrators and provided formal dates for them to go through the mutual process of selecting one to hear and decide this issue. The company also knows that if they don't do this, the Union is prepared to go to Court and move to compel them to Arbitrate. We know that this has been going on a frustratingly long period of time and the next raise is due in April 2017. But if there was no union and no contract, the company could have reduced your wages and benefits and there would have been no legal recourse to prevent it. There is no guarantee how an Arbitrator might decide this situation, but it looks like we are going to find out.
- NLRB Wage Case Information Case: In addition to the Grievance and Arbitration procedure, the Union has pursued charges with the National Labor Relations Board because PTI failed to provide the Union with the information it needs to assess exactly who the company granted raises to and who they didn't. The NLRB originally scheduled a hearing on the issue for February 8th, but that has now been pushed out to March. This charge, if we prevail, will require the Company to provide employee-specific information on what they have done. This is especially important in determining the violations of the contract that are involved and how much affected drivers are due under any back pay an Arbitrator might award.
- Mileage to Hourly Pay for PTI OTR Drivers: The other two major rail crew haulers no longer pay over the road driver's mileage. Instead they have established hourly OTR rates. PTI now believes it should convert to an hourly OTR system as well. While the Union has no problem working out a conversion agreement, it needs to take into account the impact on the wage scale and the seniority rights of drivers. The Company attempted to get the Union to simply go along with their conversion plan. When we insisted on negotiations, they went ahead and

implemented their plan in a number of PTI locations. Our Stewards, members and drivers let the Union know what was going on and the Company then only implemented the conversion with new drivers. This too has generated a grievance and several NLRB charges. Hourly OTR Pay could be a win-win for both the Company and drivers, but PTI apparently isn't interested in win-win solutions.

- **PTI Grievances:** Since the USW assumed servicing responsibility for the PTI-UPSEU Agreement we have processed over 750 grievances at the corporate level. A safe estimate is that we have handled and resolved three times that at the Steward/Branch Location levels. We are averaging ten calls each day on the Hotline. To give you an example of what the level of activity has been; we've processed 230 Termination cases and resolved 176 of them. Most were returned to work. Terminations continue to be the biggest generator of grievances, with most of them due to either speeding or accidents. Recently any accident in a Yard has become a new zero tolerance rule and has been costing drivers their jobs. We are currently working our way through the corporate level cases and either resolving them or putting them on the Arbitration List.
- Internet Arbitration at PTI: The 2015 contract contained new language that provided for a new form of quick Arbitration, using the Internet and special software. This will allow drivers, representatives and the Arbitrator to use their cell phones and the Internet to hold Arbitration hearings without everyone needing to meet in an actual room. Here too, the Company has stalled around. We finally have three Arbitrators mutually selected to hear cases, and they are being brought under contract. Once that is done, we will begin to schedule cases and work our way through the pending case list.
- CSX Awards to Renzenberger and RailCrew Xpress: In early 2016 CSX Railroad took a bunch
 of their locations away from PTI and distributed them to Renzenberger/Hallcon Inc and Rail
 Crew Xpress. The USW organized those locations that went to Renzenberger and we are
 reaching a master agreement for those locations. RCX's actions have stymied our ability to
 represent former PTI workers at their locations (mostly in the South) and we have multiple
 charges pending with the National Labor Relations Board (NLRB). As we begin to represent
 drivers in all three companies, our intent is to allow drivers to carry their seniority and wage
 rates with them as locations change vendors. The idea is that drivers continue to build
 seniority and wages no matter who has the contract for a particular location. This will take
 some time to accomplish, but we are making progress.
- **Renzenberger Economic Talks This Week:** Our next negotiating session with Renzenberger is February 8 and 9 where we will discuss the economic package (wages, benefits, etc.).
- Norfolk Southern Awards to PTI: Early this year, Norfolk Southern Railroad notified PTI that it
 had been awarded a number of new and expanded locations to serve. Many of the drivers
 involved were members of other unions or non-union at their former locations. Because of
 language in the PTI Agreement, these drivers, if hired by PTI should automatically come under
 the UPSEU/USW PTI contract. We are working to see that these drivers do not lose wages or
 seniority as they transition from their former companies to PTI. The former unions, under
 certain circumstances may have legal rights to demand they continue to represent these
 drivers and the right to bargain a contract for them. We don't know at this point how this will
 work out.

- Union Staffing: The Union continues to train and bring on board Regional Representatives who come from driver ranks. Currently we have Darryl Turner in the Southern Region, Vicki Fuston in the Western Region and Jackie Bell in Texas, Arkansas and Louisiana. Richard Zimmerman, who has been staffing our Midwest locations, will be turning the reins of that region over to Jeff Kramer in the beginning of March. At the moment we do not have a Rep for the Northeast Region and are covering that with existing staff.
- **Stewards:** Again we want to express our gratitude and support for the hundreds of Stewards who are meeting the daily challenge of representing drivers in all three companies. This is difficult work and they are doing a bang up job. If you're interested in becoming a Steward, you can view the Steward Training Video's at:

https://www.youtube.com/playlist?list=PL6PfVhexQRHQyP2Udtr6ShsoyJ2s8JlQ0

- Industry Transformation: Two major financial outlook forecasters, Moody and J.P. Morgan see another difficult year for the Class I Railroads. That means continued pressure on the Rail Crew Hauling companies to reduce their costs and offer cheaper contracted services. All three companies are implementing cost reduction programs where they see opportunities to do so. The union's goal is to keep these companies from lowering driver wages and working conditions to compete for business. We're all for them becoming better companies and finding savings in efficiencies and managing the business more effectively. Taking it out of drivers' pockets is not the way to go.
- **Building the Union:** Every current member can help build a stronger union by making sure the drivers they work with join the union. Our ability to improve wages and working conditions is based on how strong and united the companies see we are. In addition, sharing the financial costs of representation is both fair and makes the dues go a lot farther. So help your Stewards out, talk to new drivers and lets all say UNION YES!
- Three ways to Join: Paper forms that are in all hiring packets and can be obtained from Stewards. PTI drivers can sign up Online at the UPSEU Website at: http://local1222.org/ and through the USW phone text signup by sending to 47486 with the message "joinpti".

As you can see, the Union has been doing a lot of servicing, organizing and legal work on behalf of drivers in all three Rail Crew Hauling companies. The UPSEU-USW has become the largest union in this industry. These are times when corporations hold great power and are determined to pay their employees the least they can get away with. As you read this Update, consider what would be happening in your workplace if the Union wasn't here and working on your behalf. Each driver has a choice. We can tear down the union and point out all the things we wish it could do that it may not be able to do right now. Or we can put our shoulders to the wheel and help build it into an organization that moves us all forward. There's an old saying that the UNION is YOU. Let's take on 2017 united and determined to meet its challenges.

Please Copy and Share this Update and encourage drivers to join this email list by sending their email address and name to 1222@usw.org.

CONTACT USW/UPSEU

USW-UPSEU Contract Issue Hotline - 1-866-203-4960 Fax: 1-412-562-2318 - Email: 1222@usw.org