



# Transportation Communications Union/IAM

International Association of Machinists and Aerospace Workers

Robert A. Scardelletti  
National President

## SPECIAL ALERT

### NATIONAL NEGOTIATIONS UPDATE DECEMBER 2016

National negotiations between the freight railroads in national negotiations and the TCU Coalition remain stalled, hostage to the carriers' unremitting demands for major concessionary changes to the plan design of GA-23000.

Negotiations began in January of 2015. TCU invoked mediation in October 2015. The parties have met regularly since then under the auspices of the National Mediation Board. No progress has been made.

Each side has exchanged voluminous information, with the carriers emphasizing what they consider to be the high costs of the national health insurance plan relative to other industries, including non-union. The TCU 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 that comparing us to non-union industries is a non-starter. The parties also remain far apart on wages. And, at a recent session, the carriers added a host of concessionary work rule demands to their agenda.

The TCU Coalition consists of TCU Carmen and Clerks, IBEW, IAM, and TWU. Two other coalitions are also meeting. One consists of ATDA, BLET, BRS, IBB, NCFO-SEIU, and SMART-Transportation (UTU). The other consists of BMWED and SMART-Mechanical (Sheet Metal). We are in regular contact with both coalitions, and both report no progress. Until now, neither has been in mediation.

The election of President Trump puts the prospect of a Presidential Emergency Board into the distant future. A whole new National Mediation Board will have to be appointed and confirmed, and it is 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. Clearly the carriers feel emboldened by the Republican sweep.

♦ 3 Research Place ♦ Rockville, Maryland 20850-3279 ♦ E-mail—[scardellettir@tcunion.org](mailto:scardellettir@tcunion.org) ♦  
Phone—301-840-8701 ♦ FAX—301-330-7664 ♦ Website—[www.tcunion.org](http://www.tcunion.org)

On the bright side, our last contract provided for a 3% general wage increase on the first day of the new contract (January 1, 2015). And it also provided for a freeze of a \$198 monthly employee contribution for one and a half years past the contract's duration, an unprecedented accomplishment. The contract also provided that, on July 1, 2016, there would be a one-time increase reflecting the employee's 15% cost share at that time. That amount came to \$228.89.

The good news is that the \$228.89 monthly contribution cannot be increased until a new contract is reached. (One of the TCU Coalition's demands is that the amount remains frozen in the upcoming contract as well.)

If there were no freeze, employees would begin paying on January 1, 2017, 15% of the increased health insurance costs, which have been determined to be \$261.37 a month. The freeze will save every member \$32.48 a month during 2017. If no contract is reached in 2017, the freeze will remain in place, but the cost of the plan will again go up, all of which will be borne by the carriers.

To give you an idea of the overall cost of the plan, the carrier monthly medical premium per employee increased to \$1657.42; the monthly dental premium to \$64.57; the monthly life insurance premium to \$12.30; and the monthly vision to \$8.16. The total monthly employer premium comes to \$1742.45, or \$20,909.40 a year.

The parties will be conferring in January to set up a next meeting date, which will be the first since the presidential and congressional elections. We will keep you apprised as negotiations proceed.

“The carrier's insistence on sweeping changes to our insurance is proving a tremendous obstacle to reaching an agreement,” says National President Robert Scardelletti. “We are very proud of the excellent insurance benefits we have negotiated for our members, and we will vigorously oppose their demands to radically weaken it. No one likes delay, but we will not agree to concessions just to get an agreement.”