LOCOMOTIVE ENGINEERS AND TRAINMEN

FEBRUARY 2005

PUBLISHED BY THE BLET, A DIVISION OF THE RAIL CONFERENCE, INTERNATIONAL BROTHERHOOD OF TEAMSTERS

Rail Conference has first bargaining session

Carriers attempt to crack Rail Labor’s solidarity during initial face-to-face meeting

The Teamsters Rail Conference (Brotherhood of Locomotive Engineers and Trainmen (BLET) and the Brotherhood of Maintenance of Way Employees Division (BMWED)), along with four other rail unions conducted its first negotiations with the National Carriers’ Conference Committee (NCCC) on January 24, at the NCCC offices in Washington, D.C.

The group of six unions is called the “Rail Labor Bargaining Coalition” (RLBC), which consists of BMWED, BLET, Brotherhood of Railway Signalmen; National Conference of Firemen & Oilers, SEIU; Sheet Metal Workers’ International Association, International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Fitters and Helpers; and American Train Dispatchers’ Association.

The bargaining session began at 1 p.m. and the parties solely discussed the procedures and form of the negotiations. Bob Allen, the NCCC’s chief spokes-person, asked a series of questions about the RLBC members’ authority to bargain and constantly probed about the RLBC’s internal decision-making process and ratification procedures. Additionally, he asked if the RLBC would be the bargaining agent to discuss the NCCC notices served November 1, 2004, on each of the RLBC members.

Wilders told Allen that as to NCCC notices that mirrored RLBC notices, the RLBC would bargain regarding the NCCC notices, as to other NCCC notices, he deferred an answer. This answer clearly upset Allen because he said he had craft-specific issues to discuss with BMWED and BLET (single person crews) that surely were of no interest to other RLBC members. In other words, he is looking for a way to cut a stray out of the herd and the RLBC format makes his job much more difficult.

Based on this first meeting, it was abundantly clear that the current round of collective bargaining will present great challenges to the Teamsters Rail Conference and the other members of the Rail Labor Bargaining Coalition.

This is the first in a series of articles aimed at keeping members informed during the current round of negotiations.

Collective Bargaining Update

(The RLHC Health and Welfare notice is identical to those served by the other CRLO unions.)

After CRLO Chairman Bob Scardelletti went over the unions’ health and welfare demands, Allen commented that he was “blown away” and “flabbergasted” by the proposal. He considered the notice completely over the top and said there was very little for the parties to discuss. Allen said the Carriers were interested in “cost control” — in other words, the NCCC is seeking increased employee contributions, benefit cuts or other reductions.

Allen proposed going to mediation immediately. Scardelletti said mediation was premature and that the CRLO would caucus and propose new meeting dates in the future. The CRLO held an internal caucus on February 8 and 9.

A remote control tragedy in Waycross

For more than nine years, the CSX railroad yard in Waycross, Ga., was hailed as the safest in America. But that changed when the railroad began using remote control locomotives.

On January 22, a remote control locomotive struck a CSX employee in the Waycross Hump Yard, resulting in the amputation of his right leg.

Beginning in the early-1990s, CSX’s Waycross Yard was the epitome of safety. Using conventional switching operations, the 60 operating employees at the Yard worked for more than nine consecutive years without an accident or injury.

Their accomplishments were so extraordinary that their employer, CSX Transportation, purchased a full-page ad in the local newspaper to recognize the workers and thank them for their professionalism and dedication to safety. They were also featured in the Spring 2003 issue of Locomotive Engineers Journal.

Unfortunately, at the time the Jour- nal article was published, it was re-portedly that approximately 37 jobs would be lost to remote control opera-tions, according to Waycross employ- ees.

Nationally, yard accidents have markedly increased since 2002, ac-cording to statistics provided by the Federal Railroad Administration’s Office of Safety. In 2002, there were 984 yard accidents. In 2003, there were 1,089, which is an increase of nine percent. In 2004, there were 1,121, which is an increase of 9.7 percent from the previous year.

On January 22, a remote control accident occurred just one of many severe accidents to take place throughout the United States since wide-scale implementation of remote control operations began a few years ago.

The U.S. Federal Railroad Administra-tion (FRA) issued recommendations for the operation of remote controlled locomotives during an initial testing phase in early 2002. However, rail companies seized the opportunity and quickly expanded the “pilot project” into the full-blown implementa-tion of remote control technology under the recommended guidelines. In other words, the operation of trains by remote control remains unregulated by any enforceable federal safety rules. To date, the FRA has failed to issue firm regulations to ensure the safety of remote control trains operations.

This tragedy is just another ex- ample of the dangers posed by un-regulated remote control train op-e-rations, said BLET National Presi-dent Don M. Hahs. “It is a shame that the high level of safety established by the conventional switching crews at Waycross has not been attained by the remote control switching crews. It’s clear to me that the bar has been lowered.”

Metrolink crash could have been lessened, BLET says

A Metrolink commuter train crash that killed 11 people and injured more that 200 could have been lessened — or possibly avoided altogether — had the railroad operated its trains according to BLET recommendations.

The accident happened just outside Los Angeles on January 26. The train’s locomotive was behind the train in a “push” mode, so that a lightweight “cab/car” passenger car was at the point of movement.

The accident occurred when a sui-cidal man parked his sport utility ve-hicle on the tracks, but changed his mind about killing himself and bailed out of the SUV prior to impact. (According to reports, one of the vehicle’s tires became wedged, which is why the man jumped out of the vehicle instead of driving away.)

The SUV derailed the cab/car and caused an acceleration effect, derailing most of the remaining passenger cars. The cars sidswipped and derailed an-

Brotherhood of Locomotive Engineers and Trainmen • International Brotherhood of Teamsters

See Push/Pull, Page 7
The Federal Railroad Administration has issued more switching safety recommendations in the wake of January 6’s fatal accident in Graniteville, S.C.

In late January, the FRA issued a series of Questions and Answers to help clarify aspects of its Safety Advisory 2005-01, issued on January 11.

The FRA issued the initial Safety Advisory following the fatal accident in Graniteville, S.C., which resulted in the release of deadly chlorine gas and the loss of nine lives, including that of BLET Member Christopher Seeling.

S.A. 2005-01 basically asks companies to make sure their rules require train crews who handle hand-operated switches to advise a dispatcher after they restore track switches to their normal position.

In its investigation of Norfolk Southern’s January 6 accident in Graniteville, the National Transportation Safety Board (NTSB) indicated that a misaligned manual switch may have been one of the factors that resulted in a freight train being diverted from a main track onto a siding and into the path of parked locomotives. The accident happened in dark territory.

The FRA’s Operating Practices Division issued Safety Advisory 2005-01 five days after the accident. A copy is available on the BLET website at: http://www.ble-t.org/pr/pdf/SwitchSafetyAdvisory011005.pdf

The follow-up Questions and Answers are as follows:

Q1. Will a timetable special instruction or general order meet the recommendation of an “operating rule” with regard to the implementation of the SA?
   A1. Yes.

Q2. Will railroad tracks that currently have a procedure to allow crews to leave main track switches in reverse position, protected by the train dispatcher through a track warrant or similar means, when reversing their limits, still be permitted to do this, i.e., leave the main track switch in reverse position?
   A2. Yes. The switch left in the reverse position is protected by the train dispatcher; and even though the track warrant will no longer be in effect, FRA still recommends that the switch position (reverse) be stated anyway when the crew releases the limits of their main track authority. Naturally, the crew will be referring to their switch position awareness form when they do this.

Q3. Are railroads who permit main track switches to be left in reverse position and protected by track warrant, or similar means, required to have hard coded safety-edit procedures built in to their dispatching systems?
   A3. No, although FRA believes it serves as an excellent safeguard, since it prompts the dispatcher to verify the switch position with a member of the crew before the computer will allow the dispatcher to release the limits of a track warrant.

Q4. Where railroads, such as the LIRR, use distance switch indicators to protect facing point switches in dark territory, would this exempt them from the recommendations the SA? Would the same apply to railroads, such as BNSF, in dark territory, that use signals and/or movement movements over automatic switches? Ditto for self-restoring power-operated switches on CSSX?
   A4. Yes, in all three situations.

Q5. Do the provisions of the SA apply to movements wholly within territory where operating rules require movement at restricted speed, or the functional equivalent, such as yard limits or restricted limits?
   A5. No, since the strict requirements of these rules impose that train and engine movements proceed prepared to stop within one-half the range of vision, short of an improperly lined switch.

Q6. If a train happens to be within yard limits at the time it reports clear of the limits of its track warrant, do the recommendations contained in the SA apply?
   A6. No, since no specific switch is involved at the time the crew reports clear of its limits. However, FRA suggests that the crew report to the dispatcher that, according to the information recorded on their switch position awareness form, that switch has been restored to normal (or authorized to be left in reverse position).

Q7. If a main track switch is handled multiple times, does each time have to be recorded on the switch position awareness form?
   A7. No. Just the first time the switch was reversed, and the last time it was normalized before leaving the area.

Q8. Does the employee actually operating the switch have to be the same one reporting a train clear of the limits, such as when the crew of one train operates the switch for another train, such as at a meet point?
   A8. No. The crew actually operating the switch would record it on their switch position awareness form, provided that the crew was restored to normal by the crew of the other train.

Q9. How is the switch position awareness form to be completed when one crew is authorized by track warrant to leave a main track switch in reverse position, and another crew comes along and is instructed on its track warrant to “normal” the switch?
   A9. The switch position awareness form should note this. For example, the crew reversing the switch would show on their form the time the switch was reversed, but in the “time switch lined normal” column, would record that they were authorized by track warrant to leave the switch in reverse. Likewise, the crew that “normalized” the switch would show in the “time switch lined reverse” column, that the switch was authorized to be left reverse by track warrant, and then record the time they “normalized” the switch on their form.

Q10. If, during a torrential rainstorm, the conductor is 50 cars back and reverses the switch, notifies the engineer by radio, and then some 20 minutes later, after the switching moves are complete, “normalizes” the switch, also notifying the engineer by radio, then walks back up to the engine, is it OK for the engineer to have already filled in his/her initials first, at the actual times the switches were operated, and for the conductor to then record his initials after getting back up on the engine?
   A10. FRA is not concerned with who records their initials first on the switch position awareness form. It is merely recommended that all employees record this information on the form as soon as possible and conduct a job briefing.

Q11. Is there a retention period for the switch position awareness form?
   A11. No. But FRA recommends that the crew either retain them for a reasonable time, such as for five days or five trips, or turn them in to a designated officer at a terminal for review.

Q12. Are spring switches in dark territory covered by the SA?
   A12. No, unless operated by hand by a member of the crew.

Q13. Concerning recording the time and crew’s initials on the switch position awareness form whenever a main track switch is reversed, would it be acceptable to just record the name and location of the switch on the form, which would signify that the switch was handled, and then record the time and crew’s initials when the switch was finally restored to normal (or authorized to be left in reverse position, as provided in the operating rules)?
   A13. Yes. Although the S.A. recommends the time and crew’s initials whenever a main track switch is reversed, the absolute safety-critical information is the switch position at the time the crew leaves the immediate vicinity of that switch, and that is the more crucial item that should be recorded on the form.

Contributions are tax deductible. •

The IBT is also asking for contributions to provide assistance to members in Indiana. Please send a donation to the Fund to ensure everyone who is in need gets support and help. Send your check to:

Teamster Disaster Relief Fund
25 Louisiana Avenue, NW
Washington, DC 20001

Contributions are tax deductible. •
2004 FOURTH QUARTER

**Burlington Northern Santa Fe**

Burlington Northern Santa Fe Corporation (BNSF) reported all-time record quarterly earnings of $0.91 per share, a 49 percent increase over fourth-quarter 2003 earnings of 80.61 per share. Fourth-quarter 2004 freight revenues increased $404 million, or 19 percent, to an all-time quarterly record of $2.92 billion compared with 2003 fourth-quarter revenues of $2.42 billion. Consumer Products revenues increased $212 million, or 22 percent, to an all-time quarterly record of $8.1 billion as a result of double-digit increases in the international intermodal, truckload, and perishables sectors. Industrial Products revenues increased $88 million, or 16 percent, to $631 million reflecting strong demand in the building products, petroleum products, and construction products sectors. Coal revenues rose $80 million, or 17 percent, to an all-time quarterly record of $566 million because of last month’s agreement to sell CSX’s international shipping terminal’s discontinued operations and related tax obligations, which lowered earnings by $93 million because of last month’s agreement to sell CSX’s international shipping terminals to Dubai Ports International for $1.15 billion.

Operating expenses were up $129 million, or 22 percent, to an all-time quarterly record of $661 million for utility customers. Agricultural Products revenues were up $73 million, or 17 percent, to $492 million driven by strong export moves to the Pacific Northwest. BNSF’s operating ratio improved three and one-half percentage points to 77.1 percent from 80.6 percent in the prior year.

**Canadian National Railway**

Canadian National Railway Co. said its fourth-quarter profit jumped 68 percent on a sharp rise in revenue from greater commodity shipments during the period. Quarterly income grew to $376 million, compared with $223 million in the year-ago period. Revenue gained 15 percent to $8.74 billion from $1.51 billion a year earlier. For the full year, earnings were $1.26 billion up from $0.1 billion in 2003.

CN’s quarterly operating ratio was 65.0 percent, a 1.1-percentage point improvement over the fourth-quarter 2003 performance. For the full year, CN’s 2004 operating ratio was 66.9 percent, a 2.9-percentage point improvement over the year-earlier performance.

Business levels benefited from the acquisitions of BC Rail and related holdings of Great Lakes Transportation LLC (GLT), which added $1.45 million to CN’s fourth-quarter 2004 revenues.

Central to CN’s performance was strong demand for lumber, chemicals, iron ore, coal, consumer goods from Asia, and Canadian wheat and barley. Six of CN’s seven commodity groups registered revenue gains during the fourth quarter.

**Canadian Pacific Railway**

Canadian Pacific reported net income of $413 million in 2004, compared with $401 million in 2003. Net income for the 2004 fourth quarter, however, declined to $120 million compared with $174 million in the 2003 fourth quarter. Results in 2004 reflected a decline of $115 million ($130 million after tax) in foreign exchange gains on long-term debt, and a reduction of $172 million in charges ($111 million after tax) for other specified items, which included a $91 million charge ($55 million after tax) for environmental remediation and a $189 million reversal ($12 million after tax) related to labor restructuring.

Full-year operating income was $780 million, an increase of 8 percent excluding other specified items. The railway’s revenue was up $242 million, with significant growth in five of seven business lines, despite a $130 million reduction caused by the Canadian dollar’s gain against the U.S. dollar.

Operating expenses were up $870 million, compared with $545 million in fourth quarter of 2003. Operating expenses include a pre-tax increase in claims reserves. Highlights for the quarter included: KCOR reaching record consolidated revenues in the fourth quarter of 2004 of $174.6 million, an increase of $26.1 million over fourth quarter 2003; Revenues for fourth quarter 2004 were a record $173.7 million, increasing $28.7 million over fourth quarter 2003; KCOR and KCSR have reported 7 consecutive quarter-over-quarter gains in revenues; and KCSR’s operating income for the fourth quarter 2004 was a record $31.7 million. KCSR’s enhanced profitability resulted in a fourth quarter 2004 operating ratio of 81.9 percent, a significant improvement over 88.0 percent for the fourth quarter 2003. For the full year, KCSR’s operating ratio was 84.1 percent, from 80.1 percent in 2003. Earnings for the year were up $604 million, which was 62 percent lower than the company’s profit of more than $1.58 billion in 2003.

The railroad has suffered all year from an unexpected burst of business and not enough train crews or locomotives. It has responded by hiring more people and adding locomotives to its fleet.

Union Pacific Corp. reported an 8 percent drop in net income in the fourth quarter of 2004, compared with the same period in 2003.

The company cited inefficient operations, high fuel prices and a charge for future asbestos claims. Union Pacific, which operates the nation’s largest railroad, has struggled with service delays and slow train speeds since fall 2003, when a rapid increase in freight demand coincided with an increase in retirements by train service workers, cutting into the rail system’s capacity. The company said fourth-quarter net income totaled $79 million, compared with $501 million in fourth quarter 2003.

The railroad said that because of the poor performance, no executives received end-of-year bonuses. Revenue for the quarter rose to just over $3.2 billion from more than $2.96 billion, an 8 percent increase. For the year, revenue was just over $12.2 billion, a 6 percent increase from revenue of more than $11.55 billion in 2003. Net income for the year was $804 million, which was 62 percent lower than the company’s profit of more than $1.58 billion in 2003.

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Storms in California and Nevada that snarled the railroad’s traffic in the West in January could cost more than $200 million in repairs and lost income for this year’s first quarter, though some of that will be recovered from insurance, Union Pacific chairman and chief executive Dick Davidson said.

With high demand expected to continue, the railroad is redesigning its operations in a “Unified Plan” that includes higher prices, turning down less profitable business and increasing the number of nonstop trains. UP officials said.

The railroad’s operating ratio for the quarter ballooned to 97.3 percent, compared to 90.1 percent in the 2003 fourth quarter. For the full year 2004, Union Pacific’s operating ratio was 90.4 percent, compared to 91.5 percent for the full year 2003.

(From the Associated Press, Omaha World-Herald, and Union Pacific financial statements)
BLET to conduct Local Chairman Workshop in March

The BLET Education & Training Department will conduct a Local Chairman Workshop on the campus of the University of Illinois in Champaign, Ill., starting on Sunday, March 20, and ending the evening of Thursday, March 24.

Upon successful completion of the course, everyone who qualifies for an $86 per day stipend from the North American Railway Foundation. The stipends will be paid directly to the Secretary-Treasurer of the respective divisions.

Among other assignments, the workshop will include BLET organizational structure and functions, representing members at disciplinary and decertification hearings, union leadership skills, claim and grievance handling, and writing and editing skills. Participants also will learn how to effectively use the BLET arbitration database. A highlight of the workshops is when attendees participate in a simulated disciplinary hearing.

This class is not just for new Local Chairmen, and the BLET encourages all Local Chairmen to attend.

Local Chairmen will register for the 2005 workshop online through the BLET website at: http://www.ble-t.org .

Members will have to sign up for their rooms in advance and can reserve their room either by check or credit card. Those who do not show up will be charged for the first night’s stay. Members will be provided with instructions on how to make room reservations after registering for the workshop through the BLET website.

And, because of the overwhelming response to past workshops, the 2005 workshop will be made available to only Local Chairmen or members of the local Committee of Adjustment.

The BLET Education & Training Department presents these workshops in conjunction with the National Labor College at the George Meany Center. Workshop instructors will include BLET National Secretary-Treasurer William C. Walpert, BLET Vice President and Director of Arbitration Richard K. Radek, Special Representative & Coordinator of the Education and Training Department Ken Kroeger, and Assistant Director of the BLET Arbitration Department Marcus Ruef.

The BLET pays the costs of books, equipment, tuition, and a Thursday evening graduation banquet.

2004 General Chairman’s Workshop in Cleveland

Numerous General Chairmen and Vice General Chairmen gathered in Cleveland from November 15-19, 2004, for a General Chairman’s Workshop at BLET National Division headquarters in Cleveland, Ohio. Class participants and instructors are pictured here.

Seated, from left: Greg Ross, Arbitration Department Manager; Marcus Ruef, Assistant Arbitration Director; Rick Radek, BLET Vice-President and Arbitration Director; and Ken Kroeger, Coordinator of the Education and Training Department; and Bill Walpert, BLET National Secretary-Treasurer.

Standing, from left: Rick Jackson, General Chairman (GC), Elgin, Joliet & Eastern; Craig Castenson, Vice General Chairman (VGC), Union Pacific-Western Lines; Kevin Reek, VGC, Norfolk Southern-East; Bill Lyons, VGC, CSX-Northern District; Donald Byrom, VGC, Indiana Harbor Belt; George Haskins, VGC, Burlington Northern Santa Fe (SLSF/MNA); Rich Dixon, GC, SEPTA; and John Reynolds, GC, Wisconsin Central.

This workshop is one day longer than the regular Local Chairman’s workshop and will go into greater detail on writing, claims handling, and investigations. Among other assignments, the students will be given a topic to research and report back to the class; there will be a session on Duty of Fair Representation (DFR), the Railway Labor Act (RLA); and several appeal letters will have to be written on cases passed out in class. Again, a highlight of the workshop is when attendees participate in a simulated disciplinary hearing.

To attend this workshop you must be a current Local Chairman and have completed the first 5-day Local Chairman’s workshop. Attendance at a Local Chairman Workshop at a regional convention does not qualify. Local Chairmen who are interested in registering for the workshop may do so online at http://www.ble-t.org or call 216-272-0896 or kroeger@ble-t.org. Details are as follows:

Local Chairman Workshop, March 29-25, 2005 University of Illinois (Champaign, Ill.)

• $855 per week for single room and board; or
• $875 per week for double room and board.

GCoFA Secretary-Treasurer refresher course coming on April 12-14

The Education & Training Department of the Brotherhood of Locomotive Engineers and Trainmen is seeking participants for an advanced Local Chairman Workshop scheduled for May 22-27.

The workshop will take place at the National Labor College on the campus of the George Meany Center in Silver Spring, Md.

The advanced workshop will start the evening of Sunday, May 22, and will run all day Monday through Friday, concluding with a banquet on Friday night, May 27.

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Please make your reservations by March 22, 2005. Requests after the cut-off date will be honored on a space-and-rate-availability basis. You may not be able to obtain the discounted rate of $85 per night.

If you have any questions, please contact Ken Kroeger at the BLET Education & Training Dept. at (216) 272-0896 or kroeger@ble-t.org.

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According to Gilles Halle, President of the Teamsters Canada Rail Conference (TCRC), the UTU is at it again, skewing the facts of a new event for political gain.

Halle called the UTU’s recent website posting regarding the Supreme Court of Canada case, Via Rail Canada (The New York Daily News), “full of lies and undeniable misleading claims.”

The summary of work being performed on the new electric cars by Bombardier of Canada, the railroad leased a Long Island City maintenance shop to Bombardier for the work. He added that he didn’t dispute that the railroad is entitled to the warranty work, but the existing contract stipulates that certified LIRR engineers should move the trains. He said it’s a major issue because it could lead to the railroad privatizing other types of work. For example, he said, the railroad could decide to contract or lease the operation of its stations or branches to a private business.

By Philip L. Polakoff, M.D.
Press Associates, Inc.

A $500,000 award to a flight attendant who blamed secondhand smoke for her bronchitis and sinus troubles has been upheld by a Florida appeals court. The decision could open the way for damage trials of up to 3,000 similar claims.

The ruling came in a test case for former TWA attendant Lynn French to interpret a $9 million settlement reached in 1997 between the tobacco industry and nonsmoking attendees.

The flight attendants blamed their illnesses on smoke in the airliner cabin before smoking was banned on domestic flights in 1990. They put their claims on hold pending the outcome of the French case — the first appeal in a series of mini-trials to determine individual damages. The cigarette makers had argued that each jury should be required to determine whether secondhand smoke could cause disease.

The three-judge panel of Florida's 3rd District Court of Appeal said that question had already been answered in the settlement.

Although still questioning the language of the settlement, the nation’s biggest cigarette manufacturers, as of late in December, had not decided whether to ask the full court for a ruling. On this lastest court ruling could focus fresh attention on the subject of secondhand smoke: What is it? How hazardous is it? Secondhand smoke (SHS) includes both smoke from a burning cigarette, cigar or pipe, and smoke exhaled by smokers.

According to a recent report of the Tobacco Use Prevention Service, a Division of Health, secondhand smoke is a mixture of more than 4,000 chemicals, many of which are strong irritants.

The report said 53,000 nonsmokers are killed each year by secondhand smoke in the United States. It is ranked as the third-leading cause of preventable death.

The SHS-caused deaths are primarily from cancer, heart disease and breathing disorders.

In 2000, the National Toxicology Program — a study of heart disease and stroke, numerous studies confirm that SHS kills more Americans through heart disease than any other disease. Estimates of the SHS-caused heart disease toll in this country range from 33,000 to 62,000 deaths per year.

A 1999 study showed SHS exposure increases the risk of stroke by 38 percent.

A study of more than a couple of years showed that regular exposure to secondhand smoke at work increased their risk of coronary heard disease by 91 percent. Occasional exposure to SHS increased the risk by 58 percent compared to those who avoided exposure.

For asthma sufferers, SHS can cause immediate danger by triggering attacks. The majority of asthma sufferers report symptoms ranging from discomfort to severe distress from SHS exposure.

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For asthma sufferers, SHS can cause immediate danger by triggering attacks. The majority of asthma sufferers report symptoms ranging from discomfort to severe distress from SHS exposure.

To the next step is to go back to the Canadian Industrial Relations Board and initiate discussions on how to implement their decision,” he said. “This will take a few months. There are an abundance of issues that require clarification and any decision on implementation will require a lot of thought and discussion.”

Halle also said the UTU release was misinformed in stating that the “BLE” would be responsible for a levy or fine resulting from this lawsuit. “It is not the union that breached a promise, but rather Via Rail when they said that they were going to give conductors equal opportunity for the engineer positions. Via Rail is the one who has refused all the demands, proposals and resolutions leading to the present outcome. They are the ones who will have to assume the liability, if any.”

Halle concluded by stating that UTU membership in Canada is incredibly displeased by the actions of its International leadership. He cited the TCRC’s major victory over UTU Canada just last year, when the UTU attempted to raid the former BLE Canada at CP Rail, but the attack completely backfired. A wide majority of UTU membership voted to join the new TCRC rather than stay with the UTU.

As a result of the UTU-forced election, the TCRC not only kept 1,700 engineers, but added 2,800 trainmen. “The UTU news article was issued by very few of their frustrated officers to counteract the legitimate request of their membership in Canada to stop these nonsense attacks,” Halle said.

The BLET’s Long Island Rail Road General Committee of Adjustment’s plans to strike over management’s illegal use of contractors to move locomotives was halted after a federal judge issued a temporary restraining order (TRO) on January 27.

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The following questions and answers describe the tax statements issued by the Railroad Retirement Board (RRB) each January for Federal income tax purposes. Railroad retirement beneficiaries needing information about these statements, or tax withholding from their benefits, should contact the nearest office of the RRB. For further Federal income tax information, railroad retirement beneficiaries should contact the nearest office of the Internal Revenue Service.

1. How are the annuities paid under the Railroad Retirement Act treated under the Federal income tax laws?

A railroad retirement annuity is a single payment comprised of all or a portion of the following components, depending on the annuitant's age, the type of annuity being paid, and other factors:

- a Social Security Equivalent Benefit (SSEB) portion of tier I, a Non-Social Security Equivalent Benefit (NSSEB) portion of tier I, a tier II benefit, a vested dual benefit, and a supplemental amount.

In most cases, part of a railroad retirement annuity is treated like a social security retirement benefit for Federal income tax purposes, while other parts of the annuity are treated like private pensions for tax purposes. Consequently, most railroad retirement annuities consist of earnings and contributions from the RRB each January, even though they receive only a single annuity payment each month.

2. Which railroad retirement benefits are treated as social security benefits for Federal income tax purposes?

The SSEB portion of tier I (the part of a railroad retirement annuity equivalent to a social security benefit based on comparable earnings) is treated for Federal income tax purposes the same way as a social security benefit. The amount of these benefits that may be subject to Federal income tax, if any, depends on the annuitant's income. If taxable pensions, wages, interest, dividends, and other taxable income are combined with the taxable amount of any contributory railroad retirement benefits or noncontributory railroad retirement benefits, the total amount may be partially taxable. Vested dual benefits and supplemental annuities are considered noncontributory railroad retirement benefits.

3. Which railroad retirement benefits are treated like private pensions for Federal income tax purposes?

The NSSEB portion of tier I, along with tier II benefits, vested dual benefits, and supplemental annuities are all treated like private pensions for Federal income tax purposes. In some cases, primarily those in which early retirement benefits are payable to retired employees and spouses between ages 60 and 62, and in some occupational disability benefits, the entire annuity may be treated like a private pension. This portion of the Social Security equivalent benefits based on age and service are not payable before age 62 and social security disability benefits entitlement requires total disability.

4. What information is shown on the railroad retirement tax statements sent to annuitants in January?

One statement, the blue and white Form RRB-1099 for U.S. citizens or resident aliens, shows the SSEB portion of tier I or special minimum guaranty payments made to the RRB during the tax year. The amount of any offset for workers' compensation and the amount of Federal income tax withheld from these payments is shown. The labor and reductions and explanations of items found on Form RRB-1099 and Form RRB-1042S can be found in IRS Publication 915, Social Security and Railroad Retirement Benefit Tax Statements.

The other statement, the green and white Form RRB-1099-R (for both U.S. citizens and nonresident aliens), shows the NSSEB portion of tier I and tier II, vested dual benefit, supplemental annuity paid to the annuitant during the tax year, as well as the employee contributions amount paid during the tax year. The NSSEB portion of tier I along with tier II are considered contributory pension amounts and are shown as a single combined amount.

5. What is the significance of the employee contributions amount?

The railroad retirement contributions amount is considered the amount of railroad retirement tax withheld by the employer. It is equal to the amount that would have been paid in social security taxes if the employee's railroad service had been covered by the social security Act. The employee contributions amount is referred to by the IRS as an employee's investment, or cost, in the contract. Employee contributions are not a payment or income received during the tax year. Only employees who have retired and survivors who have annuities have an employee contributions amount shown on their Form RRB-1099-R.

6. How are contributory and non-contributory pension amounts taxed?

Amounts shown on Form RRB-1099-R are treated like private pensions and taxed either as contributory or noncontributory pension amounts. The NSSEB portion of tier I and tier II (shown on the statement as the contributory amount paid during the tax year) are contributory pension amounts. The NSSEB portion of any contributory railroad retirement benefits (NSSEB and tier II) paid during the tax year are treated as noncontributory amounts paid during the tax year. The RRB does not calculate the tax-free amount of any contributory railroad retirement benefits paid during the tax year.

7. Does Form RRB-1099-R show the total amount of any contributory railroad retirement benefits or just the total amount of such benefits paid during the tax year?

Since 1983 (tax year 1982), Form RRB-1099-R shows the total amount of any contributory railroad retirement benefits (NSSEB and tier II) paid during the tax year. The RRB does not calculate the tax-free amount. It is up to the annuitant to determine the taxable and tax-free amounts of the contributory amount paid using the employee contributions amount.

8. Can an employee's contributions amount change?

Contributions from employee contributions amounts shown on Form RRB-1099-R is based on the latest railroad service and earnings information available on the RRB's records. Railroad service and earnings information (and the corresponding employee contributions amounts) often changes in the first year of railroad retirement and is recomputed each year. That's when the employee's final railroad service and earnings information is furnished to the RRB by his or her employer. In some cases, employee contributions amounts shown on the most recent Form RRB-1099-R may have increased or decreased from a
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**Railroad Retirement**

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11. Are Federal income taxes withheld from railroad retirement retirement benefits?

Yes, and the amounts withheld are shown on Form RRB-1099-R, which is issued each year. However, an annuitant may request that Federal income taxes not be withheld, unless the annuitant is a nonresident alien and a U.S. citizen living outside the United States.

Annuities can voluntarily choose to have Federal income tax withheld on Social Security payments. To do so, they must complete IRS Form W-4V, Voluntary Withholding Request, and send it to the RRB. They can choose withholding from their SSB benefits at the following rates: 7 percent, 10 percent, 15 percent, or 25 percent.

Annuities who wish to have Federal income taxes withheld from their Social Security benefit must file IRS Form W-4V. The RRB will issue Form RRB-1099-G (or Form RRB-1042S) to the annuitant without Federal income tax withheld.

**Additional Information**

The taxability of these benefits can be found in IRS Publication 955, Social Security and Equivalent Railroad Retirement Benefits.

12. How is tax withholding applied to the railroad retirement benefits of nonresident aliens?

Under the Internal Revenue Code, nonresident aliens are subject to a 30-percent tax on income from sources within the United States unless they are not considered for U.S. trade or business. The 30-percent rate applies to all annuity payments exceeding social security equivalent payments and to 85 percent of the annuity portion treated as a social security benefit. The Code also requires the RRB to withhold the tax. The tax may be withheld at a rate lower than 30 percent, or it can be eliminated entirely if a tax treaty between the United States and the country of residence provides an exemption. Nonresident alien individuals are subject to Federal income tax if their U.S. income is more than $1,420.10. In this case, the RRB withhold tax if the annuitant was married and claimed three allowances.

13. Are unemployment benefits paid under the Railroad Unemployment Insurance Act subject to Federal income tax?

All unemployment benefit payments are subject to Federal income tax. Each January the RRB sends Form RRB-1001 to indicate the Federal income tax withheld during the previous year.

14. Are sickness benefits paid by the RRB subject to Federal income tax?

Sickness benefits paid by the RRB, except for sickness benefits paid for on-the-job injuries, are subject to Federal income tax under the same limitations and conditions that apply to the taxation of sick pay received by workers in other industries. Each January the RRB sends Form W-2 to affected beneficiaries. This form shows the amount of sickness benefits paid for each calendar year. The amount of sickness benefits paid for each calendar year is subject to Federal income tax.

15. Does the Board withhold Federal income tax from unemployment and sickness benefits?

The RRB withholds Federal income tax from unemployment and sickness benefits only if requested to do so by the beneficiary. A beneficiary may request withholding of 10 percent of his or her unemployment benefits if filing Form W-4 with the Board. A beneficiary can request withholding from sickness benefits by filing Form W-4S.

16. Are railroad retirement and railroad unemployment and sickness benefits subject to State income taxes?

The Railroad Retirement and Railroad Unemployment Insurance Acts specifically exempt these benefits from State income taxes.

17. Can a railroad employee claim a tax credit on his or her Federal income tax return if the employer withheld excess railroad retirement tax during the year?

If any one railroad employer withheld more than the annual maximum amount, the employee must ask that employer to refund the excess. It cannot be claimed on the employee’s return.

18. Can a railroad employee working two jobs during the year get a tax credit if excess retirement pay- roll taxes were withheld by the employer?

Railroad employees who also worked for a nonrailroad social security covered employer in the same year may, under certain circumstances, receive a tax credit equivalent to any excess Federal income taxes withheld.

Employees who worked for two or more railroads during the year, or who had tier I taxes withheld from their Federal income tax withheld in addition to their railroad earnings, may be eligible for a tax credit of any excess tier I or tier II railroad retirement taxes withheld. The amount of tier I taxes withheld from sickness benefits paid by the RRB is shown on Form W-2 issued to affected beneficiaries. Employees who had tier I taxes withheld from their supplemental social security benefits may be eligible for a tax credit of any excess tier I taxes.

Such tax credits may be claimed on an employee’s Federal income tax return. Employees who worked for two or more railroads, received sickness benefits, and had Federal income tax withheld, and State income taxes withheld from their earnings should file IRS Publication 505, Tax Withholding and Estimation Tax, for information on how to figure any excess railroad retirement or social security tax withheld.
Security threat looms over nation’s rails

(The following letter to the editor by IBT General President James P. Hoffa was published in the January 29 issue of USA Today.)

In the wake of the tragic Granvilleville, S.C., train accident that killed nine — the worst such accident since 1976 — Edward R. Hamburger, President of the Association of American Railroads (AAR), makes the claim in his editorial “Industry is Well Prepared” that the railroad industry has taken steps to enhance safety. He toutsthe industry’s cooperation with the federal government as evidence of improvement (“industry is well prepared.” Opposing view: Potential terrorism targets debate, Jan. 12)

Hamburger fails to mention that widespread safety concerns for our nation’s railroads have grown much more dire since the attacks of September 11, 2001. While the federal government has implemented extensive safety and security measures in the aviation industry, there is little focus on the railroad system almost entirely up to railroad corporations.

The Teamsters Union, which represents 700,000 locomotive engineers, trainmen and maintenance of way employees on every major U.S. railroad, has launched a “Safe Rails Secure America” campaign designed to address the very serious safety and security issues on the rails.

Unlike Hamburger and the AAR, the Teamsters do not believe that security enhances safety. In fact, our members report that rail yards, tracks, and equipment are routinely left unsecured, workers are not regularly advised of heightened terror alerts, and in many cases there are no certified engineers available to assist in case of an emergency or hijacking.

Hamburger’s viewpoint downplays the potential for further disasters. The facts, though, are not so comforting:

- Forty percent of U.S. rail lines, owned and operated by rail corporations, are in “dark territory,” without electronic signals to help prevent accidents like the one in Granvilleville.
- The railroads, which are the nation’s largest transporters of hazardous chemicals, carry about 90,000 shipments of chlorine across the U.S. each year. The Naval Research Lab says the breach of one chlorine tank in a populated area could result in 100,000 deaths in 30 minutes.
- The rail corporations have taken such drastic steps to cut costs that many now operate engines and freight cars in yards by remote control without trained professionals aboard to watch for and protect against accidents.
- Our nation cannot accept blindly the assurances of a conflicted industry representing 70,000 locomotive engineers, trainmen and maintenance of way employees. The railroads have implemented extensive safety and security measures in the aviation industry and for security on our nation’s railroads to prevent, we contact the Teamsters.

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January 26-30, 2005... 67th Annual Southeastern Meeting Association, Saratoga Springs

Hosted by Arrangements Chairman Bill Kearing and the members of BLET Division 355, the 65th Annual UIMA will be held at the Fairmont Pallace, 133 9th Ave. SW. in Calgary. Room rates are $144 per night (Canadian). For details, contact Brother Linkletter at <ble355leg@yahoo.com>.

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October 2-4, 2005... 70th Annual Southeastern Convention Meeting, Oklahoma City

Hosted by John Salibian and the members of BLET Division 141, the 70th Annual SMC will be held at the Renaissance Oklahoma City Convention Center Hotel, (405) 228-8000 or (800) 468-3577. More details to come when available.