Ballot deadline: Dec. 10

BLE members to vote again on proposed merger with UTU

Members will face one of the biggest decisions in the 138-year history of the Brotherhood of Locomotive Engineers this month when they receive ballots to vote on a proposed merger with the United Transportation Union.

The ballots were mailed on November 7 and are due by December 10 to the American Arbitration Association (AAA), the neutral third party retained to tabulate the results.

If a majority of members approve the merger, the Unification Agreement and Constitution of the newly established union will become effective January 1, 2002.

The merged union would be named United Transportation Union-Brotherhood of Locomotive Engineers (UTU-BLE), and the logos of both unions would be retained.

In a vote certified on October 29, members of the UTU voted to approve the merger by an almost six-to-one ratio. The UTU vote was 23,368 in favor of the merger and 4,146 opposed.

The tally was certified by the AAA. The referendum had been finalized on September 17, but the counting of the ballots was delayed by a lawsuit brought by three BLE officers.

The lawsuit challenged the voting process used by BLE in the first referendum, in which ballots were mailed on August 6. The UTU vote was not challenged in the lawsuit.

As a result of an out-of-court settlement reached by attorneys representing the BLE and the three officers, the BLE agreed to destroy all ballots cast in the first referendum and re-ballot the membership using new, secret ballots.

The BLE also agreed to allow both U.S. and Canadian ballots to be counted together. In the first referendum, Canadian ballots were cast and counted separately. If a majority of Canadian members had voted against the merger while a majority of U.S. members voted in favor, then the Canadian BLE membership would not have been a part of the newly formed union on Jan. 1, 2002.

However, that situation never arose as the ballots were destroyed before they were counted.

If approved, the merger would create the AFL-CIO’s second-largest transportation union and largest railroad union, with nearly 200,000 active and retired members.

The officers of (the) New Organization shall promptly apply for membership in the AFL-CIO and the CLC.” The new union would be based in Cleveland.

Due to the extreme importance of this referendum, the BLE is working to make sure that there is a high voter turnout. As a result, members of the BLE’s National Mobilization Team are conducting informational workshops throughout the U.S. and Canada.

For late-breaking information on the proposed merger of the BLE with the UTU, members are encouraged to visit <www.ble.org>.

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Anthrax scare slows S. 697 action

Following a temporary suspension of lobbying efforts as a result of the September 11 terrorist attacks on the United States, Rail Labor resumed the fight for passage of S. 697 in early October.

However, lobbying efforts for the Railroad Retirement and Survivors’ Improvement Act of 2001 have been hampered by the recent anthrax scare in Washington, D.C., and the close of several House and Senate office buildings.

A letter carrying anthrax was opened in the office of Senate Majority Leader Tom Daschle (D-S.D.) on Oct. 15, forcing the shutdown of the entire Hart Senate building — and all five other House and Senate office buildings — two days later.

In spite of these obstacles, Rail Labor lobbyists have secured 75 Senate cosponsors for the bill. BLE lobbyists are working in conjunction with a coalition of lobbyists representing all of rail labor.

At meetings with Senate representatives on November 6, a number of options were discussed with Senate leaders, including making S. 697 a part of a wrap-up bill that may be considered at the end of the current legislative session.

To make sure the bill is acted upon this year, BLE lobbyists have secured 75 Senate cosponsors for the bill.

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BLE gets Meridian Southern organizing win

Employees of the Meridian Southern Railway unanimously selected the Brotherhood of Locomotive Engineers as their collective bargaining representative on October 15.

BLE President Don M. Hahs congratulated the BLE’s Department of Internal Organizing, Mobilizing and Strategic Planning for the successful organizing campaign, and singled out Special Representative Tommy Miller for his efforts.

While the BLE could savor the organizing victory, President Hahs said the Brotherhood still has much more work ahead of it.

“Anytime workers at a shortline railroad feel they need to be organized, I believe the BLE has an obligation to do so,” President Hahs said. “There are approximately 60,000 employees in the shortline industry.”

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Homeland Security

BLE International President Don M. Hahs met with Secretary of Transportation Norman Y. Mineta, right, on October 23 in Washington, D.C. Mineta attended a meeting of the AFL-CIO’s Transportation Trades Department, where he discussed homeland security with President Hahs and the other leaders of the nation’s rail and transportation unions.

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Members who have not received their ballots in the BLE-UTU merger referendum should call the following number to request a replacement:

(800) 529-5218

Members can also call this number to request additional copies of the proposed Unification Agreement and Constitution.

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See Railroad Retirement, Page 6

See Meridian Southern, Page 4
Ble regional meetings set for 2002

With 2001 drawing to a close, BLE members are making vacation plans for 2002. Many BLE members prefer to spend their vacations honing their skills at one of the many workshops offered at the BLE’s annual regional meetings. Others attend to rekindle old friendships. Either way, the BLE’s four regional meetings provide a popular vacation destination for members and their families. What follows is a tentative agenda for the 2002 regional meetings. All dates and locations published below are final, however, certain activities and events listed are subject to change due to unforeseeable circumstances.

June 16-20, 2002
75th Southeastern Association
Virginia Beach, Va.
Chairman T.C. Emory is hosting the 2002 SMA at the Virginia Beach Resort Hotel & Conference Center from June 16-20, 2002. Discount room rates of $89 per night have been secured and the reservation deadline is May 24, 2002. A dinner cruise is being planned as part of the festivities. Space is available in a first-come, first-served basis, so you must register as soon as possible if you are interested.

Hotel reservations can be made by calling (800) 468-7725 (in Virginia please call (800) 422-4747). For a pre-registration form, contact SMA 2002 Chairman T.C. Emory at 4912 Euclid Ed, Virginia Beach, VA 23452 or via e-mail at: <tce456@msn.com>.

July 21-25, 62nd Annual International Western Convention
Kennewick, Wash.
Hosted by Chairman William Amaya in the Tri-Cities area of Washington State, the 2002 BW is a convention you will not want to miss. Guests will stay at the West徹est Tri-Cižies Hotel at: 1101 N. Columbia Center Blvd, Kennewick, WA 99330, and reservations can be made by calling (509) 783-0611. Mention the BLE convention to receive discounted room rates of $85 per night (U.S. and Canadian currency). For more details, contact Chairman Amaya by calling (509) 285-8044.

For the 2002 International Western Convention and for the 2002 BW, the “Unlimited Convention,” will coincide with the “Unlimited Hydroplane” race series. Concerts can extend their stays a few days to enjoy the Columbia Cup hydroplane races, one of the fastest sports on the planet.

August 18-23
Eastern Upland Meeting
The Association Wilkes-Barre, Pa.
Arrangements Chairman Ken Kertesz and members of BLE Division 500 host the 2002 EUA in Wilkes-Barre, Pa., at the Woodlands Inn & Resort.

Nestled in the Northeastern Poconos, members will enjoy a discount room rate of $85 per night (plus tax) for a single or double room. Room rates include a fully cooked breakfast each morning and a shuttle service to and from the Wilkes Barre-Scranton International Airport. Reservations can be made by calling (509) 824-9031. Be sure to mention the EUA in order to receive the discounted room rate.

Tentative activities include golf on the golf course and enjoying the hotels amenities. The EUMA is open to all BLE members and family members if you are interested.

September 23-26, 67th Annual Southwestern Convention Meeting
Fort Worth, Texas
Chairman Mark Banton and members of BLE Division 550 host the 2002 SWCM, to be held at the Radisson Hotel (815 Main Street Fort Worth, TX 76102). Reservations can be made by calling (817) 870-2100.

The tentative agenda is as follows: Monday, September 23: convention registration and 3:00 p.m. meeting; Tuesday, September 24: opening ceremony and keynote address; Wednesday, September 25: general sessions; and Thursday, September 26: closed meeting and SWCM business meeting. For more details, contact Chairman Banton at (817) 641-4006.

NEWS BRIEFS

UP trains to haul Olympic torch

The Olympic Properties of the United States has named Union Pacific Railroad the official rail service supplier to the 2002 Olympic Winter Games and an official provider of the Salt Lake 2002 Olympic Torch Relay.

UP is also the official railroad service supplier of the 2002 and 2004 U.S. Olympic Teams.

Creating a specially painted Union Pacific Heritage train, with caeurin coach, Union Pacific will transport the Olympic Flame and Torch Relay staff more than 3,200 miles through 11 states.

The train will transport two million gallons of propane, 29 million carloads of coal and 20 carloads of television cabling to Salt Lake City.

This will be the second time the Olympic Flame will move by rail in the United States. UP also transported the Olympic Flame more than 3,500 miles during the Olympic Torch Relay for the Atlanta 1996 Centennial Olympic Games.

CP shareholders give breakup 98% approval

Shareholders of Canadian PacifiC Ltd. bid adieu to the historic conglomeration on October 1, moving by a huge margin its breakup into five units that will be born again as stand-alone, publicly traded companies.

“IT’s mission accomplished,” said David O’Brien, chairman, president and chief executive of the company that grew into a Canadian icon after the 1880s.

The breakup was approved by 98% of CP’s common and preferred shareholders. It became effective Oct. 1. Trading of the separate units kicked off on Oct. 3 on the Toronto and New York stock exchanges.

Announced last February, the spinoff is unfolding in times of market turmoil and economic malaise, worsened by the September 11 terrorist attacks.

Nearly $1 billion would address safety concerns in six aging underwater tunnels owned by Amtrak that carry rail passengers to New York’s Penn Station.

An additional $515 million would be spent on security upgrades throughout the Amtrak system — increasing the ranks of its 325-person police force, tripling the number of bomb-sniffing dogs and adding new surveillance equipment.

The measure also includes $824 million to improve emergency water supply at Penn Station, replace two aging bridges in Connecticut considered susceptible to sabotage, and implement a sophisticated speed-control system in the Northeast Corridor, where Amtrak’s high-speed Acela Express operates.

Trains vulnerable to terrorism

Politicians and intelligence experts warn that the next terrorist attack could come on the ground instead of in the air. Trains are particularly vulnerable because they carry huge amounts of hazardous materials through major population centers.

The U.S. Department of Transportation is alerting hazmat shippers to be careful, warning: “In the wrong hands hazardous materials pose a threat to security. It doesn’t take a high degree of training, technical expertise, or sophisticated equipment to attack with devastating results.”

The FBI is concerned as well. “Attacks on or utilizing trains have long been recognized as a potential terrorist threat.

In a 1998 speech, then-Deputy Transportation Secretary Drew Lewis said that terrorist training manuals “include rail sabotage as a recommended operation, so the possibility of that destructive action is clear.”

Uncle Sam seeks experienced locomotive engineers

The Brotherhood of Lo-cootive Engineers is working with the U.S. Army Reserves in an effort to recruit experienced railroad employees for two railroad battalions as a result of the recent terrorist attacks on the United States.

According to Major Martin Piech, the Army is looking for railroad employees — especially those with prior military experience — in the areas of train operations, maintenance of way and railroad equipment repair.

The two units are: 75th Transportation Battalion (Railway) with units located in the Chicago and Milwaukee metropolitan areas, and 125th Transportation Railway Operating Battalion with units located in Massachusetts, Connecticut, and North Carolina.

Anyone who is interested in finding out how they can put their railroad skills to good use by serving their nation in this time of need can contact the Army Reserves in the following ways:

For general information: Major Martin Piech e-mail: martin.piech@us.army.mil

75th contact information: phone: SSG Steve Willis at (877) 399-6595 http://www.usare.arny.mil/88thrc/units/onlinet/336_tc/757_tc/ 125th contact information: e-mail: martin.piech@us.army.mil website: www.125thbroll.com
Burlington Northern Santa Fe

Burlington Northern Santa Fe Corp. reported that its third-quarter earnings fell 13.1 percent, hurt by flat freight revenues, and said it would cut about 400 nonunion jobs. BNSF said it posted net income of $225 million, or 56 cents per diluted share, compared with $289 million, or 64 cents per diluted share, a year earlier.

In July, the company said third-quarter revenues would fall slightly from last year, due to lost business from automaker General Motors Corp.

Freight revenues for the 2001 third quarter were $2.31 billion, even with last year on slightly higher ton-miles compared with the same 2000 period. Freight revenues include a $32 million settlement related to a transportation contract. Agricultural Commodities revenues increased $11 million, or 3 percent, to $331 million, due to higher demand.

Operating expenses of $1.94 billion were $89 million higher than the 2000 third quarter. Compensation and benefits expense was $40 million higher than 2000 due to higher wages, incentive compensation accruals and health and welfare costs. Operating income was $502 million for the third quarter 2001 compared with $571 million a year ago.

Canadian National Railway

Canadian National Railway Co. reported increased third-quarter profit by 17% despite a slight decrease in revenue.

Canada’s largest railway company posted net income of C$252 million on revenue of C$1.5 billion for the quarter ended Sept. 30. While revenue for the quarter was slightly lower than last year, the company cut operating expenses by 3% to C$805 million, improving the company’s industry-leading operating ratio to 67.9%. The company’s diluted earnings of $1.21 per share, excluding a non-recurring deferred income tax recovery, beat analysts’ expectations by a penny.

Like the other five major North American railway companies, CN has been in cost-reduction mode to counter falling shipments and revenue brought on by the economic slowdown. While CN reported revenue gains in some business units, the overall revenue game would continue to be cutting expenses to match weakening revenue.

CN President and Chief Executive Officer Paul M. Tellier said: “CN’s performance during the quarter was solid. In a challenging economic environment, we delivered double-digit gains in earnings and earnings per share… CN has clearly demonstrated financial durability in tough economic conditions.”

Burlington Northern Santa Fe

Burlington Northern Santa Fe Corp. reported a $23.4 million gain from the spinoff announced in April.

Chief financial officer Mike Waite said the company will continue to examine its labor costs and might cut another 500 jobs over the next 12 to 18 months. CPR has about 17,000 employees. CPR became an independently traded firm in October, after Canadian Pacific Ltd. was replaced by its five component businesses.

One-time income tax benefits related to the spinoff helped CPR report a 42 percent increase in third-quarter profit. Including one-time gains and charges, CPR reported profit of C$136.1 million or 56 cents a share for the three months ended Sept. 30, compared with C$86.8 million or 60 cents a year earlier. Excluding one-time items, profit was C$96 million or 62 cents compared with C$96 million or 60 cents a year earlier.

Revenue was down slightly to C$898.2 million from C$910.4 million. Revenue from automotive shipments was up 15.1 percent in the quarter, while bulk shipments, such as coal and fertilizer, were up 6.1 percent. Forest products were down 7.5 percent, while grain shipments fell 5.8 percent in the quarter.

Canadian Pacific Railway

Canadian Pacific Railway reported that its third-quarter earnings were flat and net earnings were down. Nevertheless, the results were encouraging for the railroad company.

For the three months ended Sept. 30, Canadian Pacific reported earnings of C$114.6 million, or 39 cents a share, on C$1.41 billion in revenues. During the same time last year, the company earned C$125.5 million, or 40 cents a share, on C$1.44 billion in revenues.

Despite flagging revenues, the company posted a 49 percent decline in net earnings for the third quarter, due to the same reasons as in the second quarter.

Norfolk Southern

Norfolk Southern Corp. reported third-quarter profits that were 49 percent better than last year’s third quarter and posted per-share earnings that met Wall Street expectations.

The Norfolk-based railroad holding company made C$287 million, or 20 cents a share, compared with net operating income of C$3 million, or 14 cents a share, in the third quarter of 2000.

The company’s overall results in the previous third quarter were fattened 12 cents a share by a nonrecurring, $40 million sale of timber properties through its Pechocants Land Corp. arm.

The railroad’s increased operating profit this quarter came mostly from cutting costs. Operating revenues for the quarter fell 1.8 percent to C$1.51 billion. Decreases of 1.3 percent in general merchandise revenues, to C$862 million, and of 4.7 percent in intermodal revenues, to C$290 million, were more than offset by a 1 percent increase in coal revenue to C$366 million. Intermodal revenues come from ocean shipping containers moved by rail and then trucks.

Union Pacific Railroad

The Union Pacific Corp. reported that its third-quarter earnings rose 4 percent on record productivity, moderating fuel prices and cost controls. It also forecast that fourth-quarter earnings would be slightly higher than those of the same period last year.

Union Pacific, which operates North America’s biggest railroad, reported net income of $207 million, or $1.04 per diluted share, compared with net income of $256 million, or $1.00 per diluted share, a year earlier. Revenues declined slightly to $3.03 billion from $3.05 billion.

Union Pacific said record employee productivity and cost-control measures, combined with moderating fuel prices, were key factors in its improved performance.

Its operating ratio — or the cost of generating one dollar of revenue — fell to 79.7 percent from 80.1 percent from last year, making it the best quarterly performance since 1998, when it merged with Southern Pacific Corp.

Union Pacific also said it is taking advantage of lower fuel costs by lowering them in at current prices. It paid 96 cents per gallon, compared with 92 cents one year ago, and expects a reduction in fuel costs in the fourth quarter.
Railroad Retirement bill slows in Senate

and GLA members are asked to contact Senator Daschle at his home offices in South Dakota. As Senate Majority Leader, Senator Daschle has the power to move S. 697 on a position where the 75 Senate cosponsors can vote for it.

Senator Daschle has three district offices in South Dakota that members can call:
- Aberdeen, (605) 225-8823;
- Sioux Falls, (605) 334-0896; and
- Rapid City, (605) 348-7551.

If passed into law, S. 697 would re-duce the vesting requirement under the Railroad Retirement system to 10 years to five, would eliminate the actuarial reduction for those who retire prior to age 62, and would increase surviving spouses’ annuities.

In late July, the House version of the bill, H.R. 1140, was passed by a large bipartisan majority, 384-33.

The bipartisan bill, S. 697 and H.R. 1140, would make changes to the Railroad Retirement system by:
- Eliminating the five-year vesting requirement for retirement benefits;
- Improving the retirement benefits for railroad workers who die before age 62;
- Exempting the Social Security benefit of a railroad worker who dies before age 62 from the 75% cap of the surviving spouse's retirement benefit;
- Making improvements to the Railroad Retirement system actuarial formula.

RailAmerica is the world’s largest freight railroad, with more than 30,000 employees, 15,000 locomotives, and 120,000 miles of track. RailAmerica is committed to providing safe, reliable, and efficient transportation services to its customers while operating in an environmentally responsible manner.