

## Press Release

### Brotherhood of Railroad Signalmen Initials National Agreement

Front Royal, VA (November 22, 2011) — After nearly two years of negotiations, the nation's major freight railroads and the Brotherhood of Railroad Signalmen (BRS) reached a tentative agreement on a new collective bargaining agreement. The tentative agreement was initialed Thursday, November 17.

The new six-year contract, which covers more than 7,500 railroad signalmen working under the Union's national agreement, resolves this round of bargaining based on the recommendations that were issued on November 5 by the Presidential Emergency Board (PEB) No. 243.

*"This was a difficult round of bargaining, which was complicated significantly by the Carriers' claim that the UTU agreement set a pattern,"* stated BRS President W. Dan Pickett. *"The final outcome was substantially better than the UTU agreement but still well short of what we were seeking."* Adding, *"We are disappointed that the Presidential Emergency Board recommended a phased-in version of the health care cost-shifting changes found in the UTU agreement."*

President Pickett also serves as the Chairman of the Rail Labor Bargaining Coalition.

The settlement includes General Wage Increases as follows:

Effective Date	Percentage Increase
7-1-10	2.0%
7-1-11	2.5%
7-1-12	4.3%
7-1-13	3.0%
7-1-14	3.8%
1-1-15	3.0%

The first two wage increases described above are retroactive. Employees who have an employment relationship on the date of this Agreement or who retired or died subsequent to June 30, 2010, will be entitled to retroactive wages. Retroactive wages are expected to be paid within 60 days of the Agreement being adopted. The amount of retroactive wages will vary depending upon each individual's rate of pay and overtime worked.

The compounded effect of the wage increases is 20.1%, which is 1.8% more than the United Transportation Union (UTU) agreement and the Carriers' final offer before the PEB report was issued.

The contract provides for a 1% lump sum payment within 90 days following ratification based on an employee's straight-time hours for the one-year period from November 1, 2010, to October 31, 2011. The lump sum is payable to employees having a working relationship with the Carrier as of the date the lump sum is paid and to those who retired or died after October 31, 2010.

The health care benefit package is patterned closely after the UTU agreement entered into earlier this year. Changes include cost shifting that the Carriers were seeking and as recommended by the PEB.

In contrast to the UTU agreement, the Signalmen's settlement calls for the cost shifting to be phased in over a couple of years instead of going into effect in full force when ratified. It also requires the Carriers to establish a "Health Flexible Spending Arrangement," which will permit covered members to set aside funds for medical costs and, in doing so, reduce their federal income taxes.

The tentative agreement also locks in the employees' monthly health care contribution at \$200 per month until July 2016, when the employee contribution will automatically increase to not more than \$230.

The settlement also outlines a joint "Job Responsibility Study" to determine facts in connection with the productivity, technical ability, effort, and job responsibilities of Signal Maintenance and Signal Installer positions. The non-binding study is expected to be useful in the next round of bargaining to establish the high level of responsibility placed upon railroad signalmen.

As required by the BRS Constitution, the BRS General Chairmen are scheduled (December 6) to vote on whether to put the agreement out for ratification. It is expected that they will approve sending the tentative agreement out for membership ratification.

President Pickett stated that the ratification ballots are expected to be mailed in mid-December to BRS members covered by the National Agreement.

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