

International Brotherhood of Electrical Workers



5750 Rufe Snow Drive, Ste. 140 North Richland Hills, Texas 76180 Phone/Fax 817-281-4580

Jim Wisniski
General Chairman
I.B.E.W. S.C. No. 2

2021 – THIRD QUARTER REPORT

ALL LOCAL UNIONS SYSTEM COUNCIL NO. 2

Dear Brothers and Sisters:

On September 15, 2021, the Kansas City Southern Railroad (KCS) announced that the Company's Board of Directors and financial and legal advisors unanimously determined that the acquisition proposal KCS received from the Canadian Pacific Railway (CP) on September 12, 2021, continues to constitute a "Company Superior Proposal" under KCS's pending merger agreement with the Canadian National Railway (CN). Following the KCS determination and execution of a waiver letter, KCS terminated the CN merger agreement and is entering into a merger agreement with CP. In connection with the termination of the CN merger agreement, KCS is paying CN a breakup fee of \$700 million and will also pay CN an additional \$700 million in return of the \$700 million previously paid by CN to KCS to reimburse the termination fee paid to CP in May 2021. Both of these payments will be reimbursed to KCS by CP.

In June 2021, the Railroad Retirement Board (RRB) submitted its 28th Actuarial Valuation of the railroad retirement system's assets and liabilities, and its financial report on the railroad unemployment insurance system. As of September 30, 2020, total railroad retirement system assets, comprising assets managed by the National Railroad Retirement Investment Trust (NRRIT) and the railroad retirement system accounts at the Treasury, equaled \$25.9 billion. The cash balance of the railroad unemployment insurance system was \$38.1 million at the end of fiscal year 2020. The RRB concluded in the report that, barring a sudden, unanticipated, large decrease in railroad employment or substantial investment losses, the railroad retirement system will experience no cash-flow problems during the next 34 years under any employment assumption. While the RRB indicated no cash-flow problems occur throughout the 75-year projection period

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under the optimistic and moderate assumptions, they do occur under the pessimistic assumption, but not until 2055. Additional information and “Q&A” can be found at www.RRB.gov.

On September 22, 2021, the Rail Unions comprising the Coordinated Bargaining Coalition (CBC), negotiating together in the current round of National Negotiations, issued the following statement:

“As we advised in January of 2021, the CBC and the nation’s rail carriers have been at the bargaining table since the beginning of 2020. Since January, CBC has continued to meet with the Rail Carriers, returning to in-person meetings in August. At that meeting, the CBC made it clear to the Rail Carriers that neither our Bargaining Coalition, nor our collective memberships, would accept a concessionary agreement on a voluntary basis. The Carriers were told that our members have been asked to work as essential workers throughout the Pandemic, while being treated more like expendable workers. Our members are infuriated that they have worked through these conditions without a wage increase in over two (2) years and it is unacceptable that the Nation’s Rail Carriers continue to stonewall CBC Unions in our effort to settle our contract negotiations on a voluntary basis.

In January, we said that ‘the Rail Carriers have not made any proposals worthy of consideration by the membership of the CBC Unions.’ No Carrier proposals have been received since our January 2021 update that would change the veracity of that statement. We will continue to negotiate in good faith, fully recognizing that it is our members who must ratify any voluntary agreement.”

The unions comprising the Coordinated Bargaining Coalition are: ATDA, BLET, BRS, IAM, IBB, SEIU (NCFO), IBEW, TWU, TCU, BRC and SMART-TD.

Third Quarter System Council Staff Activity

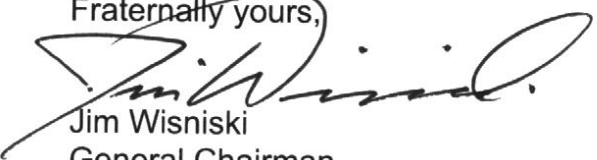
- Attended weekly conferences with UPRR to discuss Covid-19 and vaccine protocols.
- Attended and assisted Roseville, CA Local 1682 with a disciplinary

investigation.

- Finalized six Article I "*Employee Protection*" submissions in preparation for upcoming arbitration Board.
- Attended various meetings with the Union Pacific Mechanical Department.
- Attended and assisted Houston Local 1814 with a disciplinary investigation.
- Assisted Roseville Local 1682 with a leniency reinstatement agreement.
- Attended arbitration and presented ten cases before Public Law Board 7970 (UPRR).
- Attended meetings with the Union Pacific Mechanical Department, Telecom Department, and Engineering Department at the Carriers Omaha headquarters.
- Finalized an Attachment "A" with the UPRR identifying (7) additional cases to list with the National Mediation Board for final adjudication before Public Law Board 7970.
- Progressed (8) subcontracting notices served by UPRR.
- Attended arbitration and presented nine cases before Public Law Board 7001 (UPRR).
- Attended System Council 2 staff meeting.
- Attended Claims conference with UPRR.
- Attended Risk Reduction meeting with the KCS.
- Prepared and progressed various discipline appeals, time claims and subcontracting claims with UPRR and KCS.
- VGC Reynoso attended the IBEW 9th District Virtual Progress meeting and provided a presentation regarding the IBEW Railroad department structure; current status of National Freight negotiations; and, the effects of PSR on the Railroad industry.

Throughout the quarter, the Council staff continued to assist the local unions with every-day issues and concerns.

In solidarity, I remain

Fraternally yours,

Jim Wisniski
General Chairman