Pennsylvania Federation

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Office of the General Chairman Jed Dodd



July 23, 2001

Dear Brothers and Sisters:

Recently, five General Chairmen representing the BMWE Merger Committee signed a letter dated July 11, 2001 attacking the Pennsylvania Federation Joint Protective Board (PFJPB) in general and me in particular. These Brothers are unhappy with a resolution that was passed unanimously by the PFJPB urging the membership to defeat the proposed takeover of the BMWE by the Boilermakers Union. It is unfortunate that the Merger Committee did not stick to the issues, but instead lowered the debate into a viscous personal attack and mud slinging. It is unfortunate, but not surprising, because although there are some positive aspects to the proposed takeover it is mostly a bad deal for the membership of the BMWE and when the facts are debated it is difficult to defend.

The merger committee General Chairmen were very upset that we did not have a representative from the committee to sell us this wonderful deal. Paragraph 2 of the Merger Agreement states as follows:

"The terms contained in the Merger Agreement shall be the exclusive terms governing the merger. Oral agreements, representations or written terms not included in this Merger Agreement shall have no legal effect or consequences and shall be construed only as statements of opinion on which neither party has relied."

This is straight forward contract language. We are quite capable of reading this document without a member of the merger committee explaining it to us. Hopefully, the agreement will be mailed to the membership because we believe that when the membership reads the agreement they will correctly determine that there is very little

gain for them, particularly when it is compared to what we are being asked to give up.

When President Fleming was asked if a copy of the Merger Agreement would be sent to the membership his initial response was "no because it would serve to confuse the membership and they were not capable of reading it." I find this reply both grossly inaccurate and highly insulting. Even Fleming's supporters who heard this statement counseled him to reconsider. Hopefully, he will reconsider this position and ensure that the agreement is mailed to the membership with the ratification ballot. Moreover, I requested the scheduling of an IA Meeting where the entire leadership of the BMVVE could meet, discuss and debate this proposal in an open and democratic manner. The supporters of this merger made it very clear that they did not want the merger document debated in an open forum and were able to ensure that no IA Meeting would be held. Their reasons for this are the same as those behind their attack of the PFJPB and me personally. It is easier to throw mud than defend this agreement that takes so much from the membership and returns so little.

In eleven pages of single spaced type the merger committee was unable to refute the following points:

- The BMWE is a small Union and the Boilermakers are a small union and together we will still only be a small union. The Boilermakers only have 900 members on the railroads, this will give us no additional bargaining leverage on the railroad. Our total combined size of 140 thousand will not provide us with any additional power with the politicians and the regulators who control so much of our working conditions, wages and benefits. Any merger we consider should be with a Union that can do something for us with the government;
- The two Vice Presidents that will run the BMWE Division will not be selected by a majority vote of the BMWE, but rather a majority vote of Boilermaker delegates which means that the BMWE could end up with representatives that are not supported by the majority of BMWE members. In addition, because the President of Boilermakers, under the auspices of their Constitution, controls all of the power, the Vice Presidents that will run the BMWE Division are not accountable to the BMWE members, but instead to the Boilermaker President;
- While we will be one third of the membership we will only have one sixth representation on the Executive Council which makes the few decisions that are not made exclusively by the Boilermaker President;
- Boilermakers' dues go up each year whether or not wages go up. There
 is also a provision that Local Lodge dues will also be increased under the

Boilermaker Constitution; however, the local increase, by virtue of the merger agreement, is given to the Systems and not the Local Lodges. In addition, the Systems still keep the method by which they now raise dues permitting two formulas for systems to increase dues, in addition to the formula to raise Boilermakers' dues:

- BMWE Division members will continue to pay \$3.05 more than other
 Boilermakers in International dues plus the 1 dollar legislative assessment
 forever and the 1 dollar negotiation's assessment until 2003, for a total of
 \$5.05 per month more per member than other Boilermakers pay until
 2003. In 2003, the negotiation's assessment is discontinued and then
 BMWE Division members will pay \$4.05 per month more than other
 Boilermakers pay forever;
- This deal only works by skimming the interest off of the strike fund and using it to pay down future BMWE liability;
- All Grand Lodge officers have guaranteed themselves the highest possible salaries and longer terms of office;
- All Grand Lodge officers and system officers are entitled to three pensions in addition to Railroad Retirement for a total of four pensions, all paid for by the membership;

The merger committee portrayal of this deal is dishonest and misleading. In an overview of the agreement it is stated that the BMWE Division will be autonomous and have the right to govern their own affairs. This is not possible if we cannot select our own leadership. Even if we could select our own leadership this would be difficult because the Boilermaker President is very powerful under the Boilermaker Constitution. Another example of their dishonesty is their statement that the agreement does not permit the disbanding of Lodges of less than 35 active members. They defend this untrue statement by quoting only parts of the merger agreement and none of the Boilermaker Constitution. If they had quoted the whole agreement and the Boilermaker Constitution the terms would be quite clear. This is demonstrated below:

Paragraph 17 of the merger agreement states:

"Notwithstanding the provisions of the International Brotherhood Constitution pertaining to mergers and consolidations, as long as the System Divisions, Federations and Local Lodges are able to provide the necessary services within their financial resources, there will be no involuntary mergers or consolidations of said System Divisions, Federations or Local Lodges, except as otherwise provided in this Paragraph and Paragraph 8(f) of the Merger Agreement..."

Note: Notice that this paragraph does not refer to dissolution of Local Lodges.

Paragraph 8(f) of the merger agreement states:

"(Government of Local Lodges) The provisions of Article 23
'Government of Local Lodges,' of the BMWE Constitution is, by reference, incorporated into and part of this Merger Agreement as if specifically written out therein. Where such language conflicts with the Constitution of the Boilermakers' International, the Boilermakers' Constitution shall be controlling."

Paragraph 5.6 of the Boilermakers' Constitution states as follows:

"Any Local Lodge having less than thirty five active members (unless otherwise approved by the International Executive Council) shall be automatically disbanded and its Charter returned to the International Brotherhood, together with all books, records, properties, funds and assets (including trusts, trust funds, or other trust properties held, operated or controlled by such Local Lodge) owned or held by such Local Lodge at the time of such disbanding, which shall become the property of the International Brotherhood."

The merger committee does not quote the entire relevant sections because there can be no mistake that under this deal lodges of less than 35 members "shall be automatically disbanded ... and all property...shall become the property of the International Brotherhood."

The agreement is the agreement. It is probably the best agreement that we could get from the Boilermakers. It is not a good agreement for the membership of the BMWE. Promoting the agreement by attacking the Penn Fed in general, or me in particular, may make the accusers feel better, but it doesn't make this bad deal a good deal. Misrepresenting the agreement to suggest something that it doesn't will not work because our membership is also capable of reading the terms of this deal and they will read the agreement and see what is true and what is not true. A fair reading of the agreement requires that we cast a vote against this deal.

After a day and a half of vigorous analysis and debate the PFJPB unanimously adopted a resolution opposing the takeover and for this we offer no one our apologies. The PFJPB consists of 17 elected officers. Only one officer was not present because he had previously made arrangements to be on vacation and this officer also supports the resolution. Unlike the General Chairmen of the merger committee, each of us is directly elected by our membership. In the end the membership will be the ones who shall judge our actions. If the General Chairman of the merger committee also had to

account for their actions directly to the membership, as do we, perhaps they would not be so cavalier with the membership's rights and money.

Hopefully, in the time that is left before the ballots are sent to the membership we can stick to the issues and the facts and avoid personal attacks and false representations. Our membership deserves this from us so they can make this important decision about the future of their working lives.

n Solidarity,

Jed Dodd

General Chairman