

MEMBERS FIRST COMMITTEE

of the

BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES

UNDER THE BOILERMAKER TAKEOVER AGREEMENT WHAT HAPPENS TO THE LOCAL LODGE?

- THE CONSTITUTION OF THE BOILERMAKERS UNION WILL BECOME THE SUPREME LAW OF THE MERGED ORGANIZATION
- LOCAL LODGES WILL BECOME CHARTERED AFFILIATES OF THE BOILERMAKERS UNION AND REMAIN CHARTERED, SUBORDINATE AFFILIATES OF THE BOILERMAKERS' INTERNATIONAL
- CURRENT PROVISIONS IN THE BMW BY-LAWS GOVERNING THE LOCAL LODGES WILL BE RETAINED FOR THE CONTINUED GOVERNANCE OF THE BMW LOCAL LODGES SUBJECT TO THE BOILERMAKER CONSTITUTION
- LODGES OF 35 OR LESS SUBJECT TO DISBANDMENT AND ASSETS TURNED OVER TO THE BOILERMAKER INTERNATIONAL
- BOILERMAKERS INTERNATIONAL PAY FOR LOCAL LODGE DELEGATE TO ATTEND NATIONAL CONVENTION ONCE EVERY FIVE YEARS
- LOCAL LODGE SECRETARY TREASURERS LOSE EXEMPTION STATUS
- INCREASES IN DUES FOR LOCAL LODGES UNDER BOILERMAKERS' CONSTITUTION TO BE GIVEN TO THE SYSTEMS

TAKEOVER AGREEMENT IS CONTRACT BETWEEN BMW AND BOILERMAKERS

Paragraph 2 of the Takeover Agreement states as follows:

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

This contract language is very straight forward and plain. The provisions that apply to the Local Lodges are relatively clear and reading the proposal will explain the impact of this deal on the Local Lodge should the membership vote for this deal. Any explanations that are provided that are not spelled out in the language of the agreement are not accurate and not enforceable.

LOCAL LODGES WILL BECOME CHARTERED AFFILIATES OF THE BOILERMAKERS UNION AND REMAIN CHARTERED, SUBORDINATE AFFILIATES OF THE BOILERMAKERS' INTERNATIONAL

This provision can be found in Paragraph 8(a) of the Takeover Agreement which states:

"The Boilermakers' International shall issue each Local Lodge, System Division and Federation a charter which will signify its affiliation with the Boilermakers' International and which shall supplant the Charter (if one exists) each such entity held as an affiliate of the Brotherhood of Maintenance of Way Employees."

CURRENT PROVISIONS IN THE BMW BY-LAWS GOVERNING THE LOCAL LODGES WILL BE RETAINED SUBJECT TO THE BOILERMAKER CONSTITUTION

This provision can be found in Paragraph 8(f) of the Takeover Agreement which states:

*"[Government of Local Lodges]: The provisions of Article 23, "Government of Local Lodges" of the Brotherhood of Maintenance of Way Employees Constitution is, by reference, incorporated into and part of this Merger Agreement as if specifically written out herein. **Where such language conflicts with the Constitution of the Boilermakers' International, the Boilermakers' Constitution shall be controlling.**"*

LODGES OF 35 OR LESS SUBJECT TO BE DISBANDED AND ASSETS TURNED OVER TO THE BOILERMAKER INTERNATIONAL

Paragraph 17 of the Takeover 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 disbanding Local Lodges.

Paragraph 8(f) of the Takeover Agreement states:

*"(Government of Local Lodges) The provisions of Article 23 'Government of Local Lodges,' of the BMWV 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.**"*

BOILERMAKERS' INTERNATIONAL PAYS FOR LOCAL LODGE DELEGATE TO ATTEND NATIONAL CONVENTION ONCE EVERY FIVE YEARS

This provision can be found in Paragraph 16 of the Takeover Agreement which states:

"[Convention Expenses]: Convention expenses and allowances for delegates to the Thirty-first Consolidated Convention of the Boilermakers' International shall be paid as set forth in Article 2.6 of the Constitution of the Boilermakers' International..."

Article 2.6 of the Boilermakers' Constitution states:

"One delegate from each Lodge in attendance at the International Brotherhood Convention shall be reimbursed for transportation costs on the basis of the lowest available coach class plane fare that can be obtained by the most direct air route between the location of the Local Lodge and the International Convention City and \$150.00 per day allowance to be paid by the International Secretary Treasurer from the Convention Fund."

LOCAL LODGE SECRETARY TREASURERS LOSE EXEMPTION STATUS

Article 20, Section 3 of the BMWWE Grand Lodge Constitution and By-Laws currently exempts Local Lodge Secretary Treasurers from paying dues. This provision was not preserved in the Takeover Agreement and there is no similar provision in the Boilermakers' Constitution. Local Lodge Secretary Treasurers will be required to pay dues if we become Boilermakers.

INCREASES IN DUES FOR LOCAL LODGES UNDER BOILERMAKERS' CONSTITUTION TO BE GIVEN TO THE SYSTEMS

Paragraph 12(a) of the Takeover Agreement states:

"Effective January 1, 2002, and continuing through December 31, 2002, and each year thereafter, the monthly dues and per capita tax shall each be increased by an amount as set forth in Articles 12.2 and 31.2.2 of the Constitution of the Boilermakers' International. For this purpose, the provisions of Article 31.2.2 of the Boilermakers' International Constitution shall be applied in such a manner that monthly dues and subsequent increases provided in said Article that would otherwise be remitted to a "Boilermaker Lodge", would go the respective BMWWE System Division/Federation."

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