

An Appeal To Reason



Newsletter of the Pennsylvania Federation

September 2002

MEMBERS MOBILIZING TO DEFEAT SECOND BOILERMAKER TAKEOVER ATTEMPT

**BOILERMAKER TAKEOVER PROPOSAL HAS NO MONEY, NO
POWER, NO RIGHTS AND NO PENSION FOR THE MEMBERSHIP**

**BOILERMAKER TAKEOVER PROPOSAL GUARANTEES HIGH
SALARIES AND LONGER TERMS IN OFFICE
FOR GRAND LODGE OFFICERS**

**DEAL OFFERS THREE EXTRA PENSIONS FOR SYSTEM OFFICERS,
TWO EXTRA PENSIONS FOR GRAND LODGE OFFICERS (THEY
ALREADY HAVE TWO) AND A POLITICAL SYSTEM THAT NEVER
REQUIRES OFFICERS TO WIN THE SUPPORT OF THE GENERAL
MEMBERSHIP TO STAY IN OFFICE**

Grand Lodge has announced that on or around October 1st of this year the membership will once again be asked to vote on a proposal to have our Union become a division of the International Brotherhood of Boilermakers. This deal was turned down by the membership last year. The membership will be asked to vote on essentially the same deal that they have already rejected.

A majority of the leadership of the BMWEE has been working full-time, since the membership voted last year to reject this bad deal, to bring this issue back to the membership. Grand Lodge leadership recognizes that this is a sweet deal for the leadership of the Union. As a result, they are spending lots of the members' dues money to hold training seminars to train members to go out and sell the membership on this bad deal. In contrast, a ground swell of rank and file opposition is erupting who are just as determined to stop the hijacking of our Union by the Boilermakers.

Since the merger supporters are vigorously campaigning for their position, this contest will hinge on who is most able to get the vote out.

A Merger Must Be About Membership Bargaining Power

We need more power to advance our interests. Our wages, benefits, railroad retirement pension and rights on the job are all substantially better because of our Union. However, in relationship to the value we actually produce for our employers and our country, and what we need to care for our families, we receive only a fraction of what we are worth or need. This is primarily because we do not have enough power to overcome the political process and bargain on an even playing field with our employers. The government protects our employers from our economic strength.

The most obvious example of this fact is the last US National Agreement. We bargained with railroad management under the jurisdiction of President Clinton and his mediators for over a year before he left office. Because he left office without releasing us from mediation and appointing an Emergency Board we were forced to sign an agreement that provided a mere ten cents an hour increase in 2002. Our Union lacked the political power to force a sitting Democratic President to appoint an Emergency Board to make a reasonable settlement proposal. When the Republican President was selected, we knew any Emergency Board he appointed would be worse than a ten cents an hour raise. All you need to do is remember what the first Bush did to us in the infamous Presidential Emergency Board 219 to understand this fact.

The Boilermakers Union currently has only about 800 railroad workers in their Union. Combined we would still be a small Union of only 120,000 members. This merger will not give us any additional leverage with our railroad employers, or with the government that protects them. Any merger we consider must improve our bargaining power. This merger does not improve our bargaining power.

What About Their Health and Welfare Offer? Is It Another Scam Like the Phoney Membership Pension?

Grand Lodge claims that because the Boilermakers manage their own health and welfare trust we will be able to greatly reduce the cost of health care being provided to Grand Lodge and System Officers (380 dollars a month versus 1200 dollars a month currently being paid). Moreover, they have stated that the Boilermaker Health and Welfare Trust will permit a merged union to make a deal with railroad management to provide the same health benefits for our members at lower costs and eliminate our current health and welfare cost sharing. They claim this will put more money into our members' pockets.

Is this fabulous claim fact or fiction? The answer is both. There will be a reduction in health and welfare costs on the front end for Grand Lodge because the benefits are being artificially subsidized by the Health and Welfare Trust. Being artificially subsidized means that the low cost is not guaranteed and could rise to reflect the true value of the benefits at any time. The average rank and file Boilermakers member in the health and welfare plan is required to contribute, through their collective bargaining agreements, \$695.00 per month. (Source: Report of the Boilermakers National Health and Welfare Fund to the 2001 IBB Convention) This is comparable to the cost of the benefits for our members under the US National Agreement. Their claim that they can use this plan to reduce our cost sharing is hog wash because there is no reduction for the average member. Equally important is the fact that they are ripping off their own members who depend upon this trust for their health benefits. In order to subsidize the cost of Union officers health care, the Boilermakers Trustees are either charging too much for the benefits enjoyed by the IBB rank and file, or not providing enough benefits for the money being contributed. Either way the member gets ripped off. This is the plan we are supposed to join?

Grand Lodge Boilermaker Takeover Propaganda Truth or Lies?

Grand Lodge has produced some incredible material about this merger that is either not true, or leaves out important facts for your consideration. Some of these untrue claims are that the takeover will produce a pension for the membership, increase bargaining power with railroad management, or serve to reduce health and welfare cost sharing for the membership. Often Grand Lodge simply lies by not telling the whole truth. Below are some examples of this Grand Lodge fiction.

Dues and Finances - Grand Lodge Says Members Will Pay Less - Facts Say This Is Not True

Grand Lodge says that IBB International dues went up slower in the last ten years than Grand Lodge dues.

Grand Lodge left out the fact that going into the deal BMW members would have to pay higher dues than other Boilermakers because our current dues would not be reduced and they are higher than other Boilermakers. In addition, we would have to pay future increases on this higher base. Under the IBB Constitution, when the International dues go up they are automatically doubled and the second piece goes to the local lodge. If this doubling is taken into consideration, then dues increases for the two Unions the last ten years would be about the same. Under the takeover deal this second piece does not go to the Lodge, but instead goes to the System. Because the deal requires us to continue to pay the future increases on the bigger base our dues will be higher than other IBB members.

In an attempt to frighten members into voting for this deal the last time President Fleming mailed a letter with the last ballot stating that failure to vote for the Boilermakers would cause the dues to go up five to ten dollars. This did not happen.

Strike Benefits - Grand Lodge Says Members Will Collect Two Benefits - Facts Say This Is Not True

Grand Lodge says this is a good deal because, in the event we are involved in a strike, we would be eligible to collect our own strike benefits from our own strike benefit fund and also to be able to collect strike benefits from the Boilermakers strike fund, therefore providing us with two strike benefits where now we only have one.

Grand Lodge left out the fact that we are not eligible for the Boilermakers strike fund until we have been out on strike for more than two weeks. Does anyone remember when a Class 1 railroad has been out on strike more than a couple of days? This is a benefit that probably will never be used.

BMW Autonomy - Grand Lodge Says We Will Have Autonomy - Facts Say This Is Not True

Grand Lodge says that BMW autonomy is preserved in the takeover agreement.

Grand Lodge left out the fact that the Boilermakers Union is a top down, centralized organization with enormous power centered in the hands of a 12 member Executive Council. While we would be 1/3 of the membership of the Boilermakers we would only have 1/6 of a voice on the Executive Board (2 votes). Boilermakers President Jones and his son both sit on this Executive Council. The Jones family alone could cancel our votes on all important issues. In addition, the leadership of the BMW Division would be chosen by all Boilermakers at a Convention. It is possible that leadership could be imposed on the BMW Division that does not have the majority support of the BMW Division delegates. This is not autonomy.

Compatibility - Grand Lodge Says We Are Compatible Unions - Facts Say This Is Not True

Grand Lodge says that both the IBB and the BMW are blue collar, heavy industry, skilled trade unions that would complement rather than distract from one another.

Grand Lodge forgot to mention the fact that the IBB and the BMW did not agree on the need to reform the AFL-CIO and voted against each other on this important issue. They also did not mention that they were not with us when we threatened a national walkout and forced railroad management to back down on their bid to eliminate our

occupational disability benefit.

Elements for Consideration in the Takeover Deal Between the Boilermakers Union and the BMW

BMW becomes a division of the Boilermakers Union	Section 4 of the Agreement
Twenty million dollars In BMW Grand Lodge assets become the property of the Boilermakers Union	Section 20 of the Agreement
Constitution of the Boilermakers will be the Supreme Law and would govern BMW division, except as modified by the Takeover Agreement	Section 3 of the Agreement
Boilermakers President interprets all bylaws subject to an appeal to an Executive Council of 10 International Vice Presidents from which there is no further appeal - all powerful President	Boilermakers Constitution Part 7.2
BMW International Vice Presidents shall be elected at large by Boilermakers. This means a majority of non-BMW delegates will select BMW leadership	Section 5 of the Agreement
Higher salaries and longer 5 year term established for current BMW President and Secretary Treasurer or their successors	Section 5 and 5(a) of the Agreement
Current BMW Vice Presidents guarantee themselves jobs, maintain higher salaries and provide themselves or successors with 5 year terms	Section 9(c) of the Agreement
BMW division members will pay \$5.95 more than members of other Boilermakers divisions	Section 12, 12 (c and d) of the Agreement
BMW division will have 1/3 of the total Boilermakers membership but only 1/6 of the representation on the Executive Council which governs Boilermakers	Boilermakers By-Laws and Agreement
All System Officers in addition to their Railroad Retirement pension are eligible for three additional pensions for a total of four pensions upon retirement	Section 14 (b,c,d and e) of the Agreement
BMW headquarters in Detroit will be shut down	Section 4(d) of the Agreement
Interest from strike fund diverted to death benefit fund to ensure that death benefit liability is not passed onto Boilermakers when Grand Lodge assets are turned over when takeover occurs	Side Letter 1 of the Agreement

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