

Question No. 1

I was wondering if the difference in the cost for health insurance for the years 2009 and 2010, will be deducted from the retroactive and bonus back pay?

Answer No. 1:

Under the proposed Agreement, the new insurance would not be effective until all crafts ratify an agreement in this round of bargaining; therefore, no deduction would occur as it was not in effect.

Question No. 2

Why is the union supporting a change in the discipline policy, won't the "past practice" be eliminated as well?

Why is the union supporting the change in the vacancy advertising which seems to limit seniority?

Why is the union allowing that the company might be allowed to use foreign rail employees to do our work? Rumor has it that this contract is a "Rail America" contract and now that Mr. Ballas is back in place at FEC there will be a new contract, is this true? I can appreciate the effort to have a guaranteed xtra board, but most members I've talked with don't want a combined xtra board, why would the union promote something the membership doesn't want?

Answer No. 2

No. 1.

As stated in the meeting, we are not advocating a change in the discipline policy. The only change is from a measurement of merit/demerit system to a measurement of actions. The new policy provides for ways to work off any discipline, in the same manner as does a merit/demerit system. The Company has the right now, and in the future, to administer discipline. It is all a matter of semantics. There is no past practice on this issue. We also obtained a clean record for all.

No. 2

The change in the vacancy advertisement does not restrict seniority; it still permits individuals to protect known vacancies. The proposed agreement gives additional freedom in the exercise of seniority twice a year.

No. 3

The Union is not allowing foreign line crews to do our work. We did allow the foreign line crew to make a "cut" at a specific location instead of just in the clear. We also obtained protection for our Members that this change means that the Carrier cannot cut off a job.

No. 4.

FEC – Rail America fired the outside group that negotiated this Agreement and has rehired Tom Ballas. There are some private e-mails floating around within FEC which questions "why" FEC agreed to this Agreement. The e-mail reads that the outside group gave away the store, and the Company got nothing in return. Apparently the new FEC management group does not like the proposed Agreement.

This would account for the rumors that some of the FEC company officers are putting out that they can't wait to get this agreement in place. They are "playing" (reverse psychology) the FEC employees hoping they will vote down the Agreement

Actions speak louder than words; the new FEC management team **fired** the negotiating group; that tells me a lot.

This is a great agreement; listed below are a few of the positive money changes for the Membership:

1. No option on contracting work out
2. Requires paid training; this is a major financial benefit to the Membership
3. Full union shop – no more freeloaders.

4. Protected furloughs
5. Guaranteed extra boards; this will cost FEC millions of dollars that will go into the pocket of our Membership.
6. Additional pay to attend safety rules classes.
7. Waiting time rule, more \$\$\$\$
8. Increase in the turnaround and away-from home meal allowance
9. 4 paid personal business days per year.
10. Additional pay if required to attend court.
11. Increased number of paid jury duty days
12. Up to an 8% annual increase in earnings \$. The President of the United States has recommended to all industries a two year freeze on wage increases.
13. Back pay to 1/1/09; this is major, major plus; **there will be back pay checks from \$6000.00 to \$15,000.00,** depending on how much you worked.
14. Health care – the raises and bonus payments will more than cover the additional cost of insurance. The average annual cost will increase about \$1000.00. The average employee will get more than that just in the GWI, not counting the 6% bonus payment. We also held the ground on future increases!
15. The Company must also call employees from the extra board to get HOS crews if a yard crew is not available – more job security.

This proposed agreement will increase the average pay of FEC Members, on an annual basis, to the amount of 7%. This does not include the additional payments noted above. Employees in other industries are taking pay cuts, and they are also paying more for health care.

If the Membership chooses to reject the Agreement, then all of the above is in jeopardy. They will say that we do not want a \$10,000.00 back time check; we will accept the President's recommendation of a 2 year pay freeze. We do not want a waiting time rule, we do not want paid personal leave days, and we do not want the additional meal allowances and so on, and so on.

In these times, a great, great proposed agreement was obtained. Local Chairman Jim Bush and the other local chairmen deserve great praise; they did a great job! **As previously noted, actions speak louder than words; FEC fired the group that negotiated the Agreement.**

The Negotiating Committee and the Local Chairmen recommend adoption of the proposed Agreement.