

THE LOCOMOTIVE ENGINEER NEWSLETTER • JANUARY 2002

Judge rules on remote control

Judge mandates arbitration; UTU, carriers to begin joint pilot program using remote control locomotives

A U.S. District Court Judge in Chicago decided on January 14 in a 16 page opinion that the operation of locomotives in terminals and yards by train service employees using remote control technology is a "minor dispute," which should be decided by arbitration.

The Brotherhood of Locomotive Engineers had argued that the issue was a "major dispute." If the court had found the dispute to be major, the railroads would have been blocked from implementing their remote control plans, and they would have been forced to bargain with BLE concerning remote control working conditions, or face a potential strike by locomotive engineers.

"Clearly, the BLE does not agree with the Judge's decision," said BLE International President Don M. Hahs. "It's been our position all along that locomotive engineers should run locomotives, regardless of whether they're in the cab or on the ground. Locomotive engineers are the most qualified and highly trained members of the train operating crew."

In reaching its decision, the court was careful to point out that it was not convinced that the remote control belt-pack is merely a "communication device," as urged by the railroads. All the court had to decide, Judge Joan B.

Gottschall said, was whether the railroads provided enough evidence to show that their argument met the standard set by U.S. Supreme Court that their position was not completely frivolous.

According to BLE Vice-President & Arbitration Director Richard K. Radek, who assisted in the case with BLE Attorney Mike Wolly, the railroads used several Section 6 notices filed by BLE General Committees as evidence to support their claim that their position met the non-frivolous standard. These Section 6 notices asked the carriers to negotiate rules and working conditions for remote control operations, and the railroads argued that the notices were an implied recognition by BLE that the union did not already have an exclusive right to operate remote control engines.

The railroads also presented two arbitration awards as evidence to meet the non-frivolous standard. One involved the operation of engines by remote control at a Burlington Northern car repair facility in Nebraska. The other award was a decision by a Canadian arbitrator who decided in 1993 that the belt-pack was a communication device signaling microprocessors, and that it did not directly control a locomotive as an engineer does.

On January 16, the U.S. District Court issued an injunction against any strike or job action by the BLE.

President Hahs pointed out that allowing locomotive engineers to operate remote control locomotives would, "allow carriers to receive maximum utilization of the technology." He explained that locomotives equipped with remote control technology can be operated both remotely and manually. In the event the technology fails, a locomotive engineer would be able to complete the job, while a trainman or conductor would not. Federal Railroad Administration safety rules allow only certified locomotive engineers to operate trains. Locomotive engineers must be federally certified and carry a license in order to run locomotives, in much the same way that airline pilots must also be licensed to fly planes.

"We are willing to enter into agreements regarding this technology, but we have been rebuffed by the carriers, who appear intent on bargaining only with the UTU," Hahs said.

Just hours after the court's decision on January 14, the United Transportation Union and the National Carriers' Conference Committee, released a joint press release announcing an agreement to initiate pilot projects implementing and utilizing remote control technology.

In light of the Court's ruling, the next step will be arbitration. President Hahs said, "It is unknown at this early stage what form the arbitration will take, or how soon a hearing will be held. But we will take every possible action to prevail in the fight to retain what is historically our work." •

BLE files to protect historic rail operating crafts on KCS

The Brotherhood of Locomotive Engineers has filed two position statements with the National Mediation Board (NMB) as it prepares to defend historic rail operating crafts on the Kansas City Southern (KCS) property.



The position statements were filed in response to the United Transportation Union's attempt to force a single-craft representation election on the KCS. In its statements, the BLE vehemently defends historic operating craft lines and urges the NMB to hold a full evidentiary hearing on the matter.

"Craft or class determinations — and particularly requests such as the UTU's to combine historically distinct crafts — by their nature are fact-intensive inquiries, dependent upon the specific circumstances and practices on a specific carrier," the BLE statement contends. "Nearly every one of the 'facts' advanced by the UTU in its statement is contested. Given the complexity of those facts... we believe that it is imperative that an evidentiary hearing similar to the hearing in Union Pacific should be held..."

The BLE contends that governing case law is provided by the Union Pacific case, in which the Board ruled in favor of the BLE position. In the Union Pacific case, decided in 2000, the NMB stated that, "engineers ha(d) separate and distinct core duties compared to those in the conductor craft," and decided that the historic operating crafts were not combined.

The UTU contends that governing case law is provided by the Terminal Railroad Association of St. Louis case, in which the NMB

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Bush signs Railroad Retirement bill

On December 21, President Bush signed legislation making the Railroad Retirement and Survivors' Improvement Act of 2001 the official law of the land.

It was reason for BLE and GIA members to celebrate, as it provides an early retirement and improved pension benefits for thousands of active and retired members and their spouses.

The law permits \$15.3 billion in railroad pension funds to be invested on Wall Street instead of government securities.

There was no signing ceremony, but the signing was announced by the White House in a brief statement.

The measure cuts the railroads' payroll taxes while boosting the benefits of retirees and their widows or widowers.

The measure was backed by rail companies and their unions. The signing is a culmination of a nearly yearlong effort by a joint team of Rail Labor lobbyists, who first met

See Pages 5-7 for more details.

on Jan. 16, 2001, to plot their lobbying strategy.

Along the way, the Rail Labor Coalition relied heavily on the support of active and retired members in the field, who called and wrote to Congress to lobby for passage of the bill.

BLE International President Don M. Hahs congratulated all BLE lobbyists who worked so hard on Capitol Hill to make sure the bill passed, and thanked them for their efforts.

"This bill wouldn't have seen the light of day if not for the efforts of BLE and other Rail Labor Coalition lobbyists on Capitol Hill," Hahs said. "I congratulate and thank them."

BLE members with specific questions should contact a U.S. Railroad Retirement Board field office in their area. Please see page 5 for a list of RRB field office telephone numbers. •

BLE NEWS

BLE gets support from AFL-CIO affiliates

Union presidents tell NMB separate operating crafts do exist in today's railroad industry

The Brotherhood of Locomotive Engineers continues to receive support from AFL-CIO affiliated unions in its crusade to protect historic rail operating crafts.

In recent weeks, BLE President Don M. Hahs has received letters from the Presidents of six AFL-CIO affiliated unions, pledging to support the BLE and condemning the UTU's attempted raid of BLE membership. Some of the union presidents also promised to contact the National Mediation Board and express their opposition to a single-craft ruling.

These six organizations represent nearly two million union members in the U.S. and Canada.

"I am very familiar with the UTU raids on the BLE," wrote Morton Bahr, president of the Communications Workers of America (CWA). "You can count on us to use our influence with the NMB in opposition to a single craft."

The CWA represents more than 740,000 workers and is the largest communications and media union in North America.

Leo W. Gerard, International President of the United Steelworkers of America (USWA), characterized the UTU's attempt to raid the BLE as a "discredit to all of labor."

"We stand proudly beside (BLE) and unite with you in the fight to protect your union from raiding by the United Transportation Union," President Gerard wrote. "We will immediately contact the National Mediation

Board and express our desire that their long-term definition of rail operating crafts not be changed to a single craft."

The USWA has more than 700,000 members in every manufacturing industry, including the steel and aluminum industries.

Delegates at the BLE's Seventh Quinquennial Convention in Miami will remember the inspiring speech delivered by Cecil E. Roberts, International President of

the United Mine Workers of America (UMWA). President Roberts also sent a letter of support to the BLE.

"The UMWA does not like to see any affiliated union injured and we therefore will be supportive of the Brotherhood of Locomotive Engineers' efforts in dealing with your dispute with the UTU," Brother Roberts wrote.

The UMWA represents more than 125,000 members, including coal miners, clean coal technicians, health care workers, truck drivers, and school board employees.

The Professional Airways Systems Specialists (PASS) represents nearly 12,000 employees of the Federal Aviation Administration and the Department of Defense.

"If there is specific legislation pending or key congressional members needing to be influenced, again, PASS would be happy to help," wrote PASS National President Michael D. Fanfalone. "PASS has supported the BLE in the past and I look forward to our being able to do so again now."

Perhaps the strongest support of all came from Sonny Hall, International President of the Transport Workers Union of America. Like BLE, TWU is a member of the Rail Labor Division of the AFL-CIO's Transportation Trades Department, and is intimately familiar with the history of the BLE-UTU conflict.

President Hall wrote a letter directly to AFL-CIO President John Sweeney, urging the AFL-CIO to take action on behalf of the BLE.

"You know the situation," President Hall wrote. "Our responsibility is clear. As I am sure you agree, a union that withdrew from affiliation [with] the AFL-CIO (for the second time) for the sole purpose to raid another AFL-CIO affiliate must be challenged by the full collective force of the AFL-CIO. It simply cannot be acceptable that a former affiliate of the AFL-CIO can gain by leaving the united family of the AFL-CIO. We must deny the UTU the ability to win their raiding efforts against BLE.

"At this point, I look to the leadership of the AFL-CIO to establish an active committee (task force) to assist the BLE, who are under attack by the independent UTU."

The BLE also received strong support from another railroad union, the Brotherhood of Railroad Signalmen.

"The BRS supports you in your efforts at the NMB; and will do anything we can in stopping this illegal raid upon the BLE membership by the UTU," BRS

"We must deny the UTU the ability to win their raiding efforts against BLE."

— Sonny Hall, President of the Transport Workers Union of America

President W. Dan Pickett wrote.

President Pickett also wrote a letter to the NMB on behalf of the BLE, urging it to continue its long-standing definition of rail operating crafts.

"The operating crafts continue to operate as separate crafts today just as they have in the past decades," Brother Pickett wrote in his letter to the NMB. "Nothing has changed in the rail industry to create a single craft in the operating craft."

In essence, the UTU is seeking to take over the BLE by eliminating the historic operating crafts of locomotive engineer, conductor, brakeman, switchman, fireman, hostler, and hostler helper, and combining them into a single craft of "train and engine service employees." If the NMB votes to create a single craft, it will force a representation election to determine which union will represent the new craft, thereby allowing UTU to use its greater numbers as leverage in an attempt to raid the BLE — and to ultimately destroy it.

Copies of all these letters are available on the BLE website. •

BLE files to protect historic rail operating crafts on KCS

KCS

Continued from Page 1

deviated from the Union Pacific ruling. In TRRA, decided in 2001, the NMB ruled in favor of the UTU and authorized a combined craft or class of "train and engine service employees."

However, the TRRA ruling was so controversial that the NMB issued a split-decision, with then-NMB Chairman Ernest DuBester dissenting.

Like Union Pacific, the Kansas City Southern is a Class I railroad. While the NMB has agreed with UTU that combined operating crafts exist on short line railroads, such as the TRRA, it has never done so on a Class I.

Regardless, the BLE remains confident it will prevail in preserving historic operating crafts.

"But even were the Board to reject Union Pacific and apply the Terminal Railroad

analysis to Class I railroads, the facts in this case — contrary to UTU's assertions — would not support a finding that engineers and trainmen share a 'community of interest' sufficient to justify combining the crafts," according to the BLE position statement. "Indeed, the BLE believes that the evidence regarding KCS will not only confirm that engineers and train service employees perform separate core duties, but will show that the Carrier has itself acknowledged these critical distinctions: on several of its lines, the Carrier's crew consist agreements mandate an engineer on every train — even those in the yard operated with remote controllers — but contain no such requirement for train service employees."

In the Union Pacific case, the Panel said that cross-utilization of employees was a key factor in determining whether or not a craft or class of employees was combined. For example, if statistical evidence

can prove that engineers work only as engineers and conductors work only as conductors, then there is no blurring of craft lines and no need for a single-craft ruling.

In the TRRA case, however, the NMB adopted a new set of standards to determine whether or not the crafts were combined. It used criteria such as "community of interest" and "general nature of (employees') work," while ignoring hard evidence, such as can be provided by cross-utilization statistics.

The UTU cites a "mandatory line of progression from trainman to conductor to engineer, and with respect to the incidental work rules covering work performed by trainmen, conductors and engineers," as well as the "ebb and flow" of employees from engineer to conductor, as evidence that a combined craft exists on the KCS property.

National Railway Labor Conference Chairman Robert F. Allen says the nation's Class

I rail carriers support the UTU's attempt to combine the historic operating crafts.

"We think it clear on its face that in today's circumstances, representation of a single craft of operating employees, rather than divided crafts, would create a more stable and constructive labor relations environment, thereby improving railroad operations," Allen said in a December 21 letter to the NMB.

BLE said the letter was "irrelevant as a matter of law," because the carrier is not a party to the dispute.

Many in the railroad industry perceive the UTU's single-craft issue as a means to forcefully take over the BLE. As a result, the BLE has received support from the AFL-CIO and other rail labor unions (see article on Page 2).

"As I am sure you agree, a union that withdrew from affiliation [with] the AFL-CIO (for the second time) for the sole purpose to raid another AFL-CIO affiliate must be chal-

lenged by the full collective force of the AFL-CIO," wrote Sonny Hall, President of the Transport Workers Union of America, in a letter to AFL-CIO President John Sweeney. "It simply cannot be acceptable that a former affiliate of the AFL-CIO can gain by leaving the united family of the AFL-CIO. We must deny the UTU the ability to win their raiding efforts against the BLE.

"At this point, I look to the leadership of the AFL-CIO to establish an active committee (task force) to assist the BLE, who are under attack by the independent UTU," Brother Hall concluded.

After receiving an adverse ruling in the Union Pacific case in early 2000, the UTU withdrew from the AFL-CIO. It is believed the UTU withdrew to avoid possible financial sanctions as a result of repeated violations of the no-raiding clause (Article XX) of the AFL-CIO Constitution. The UTU also withdrew from the AFL-CIO in 1986. •

BLE readies for defense

Temporary dues assessment is necessary as BLE prepares to defend historic operating crafts from annihilation; UTU fires first shot on KCS

**Statement by BLE
President Don M. Hahs**

As you may be aware, the United Transportation Union is attacking the Brotherhood of Locomotive Engineers in light of the resounding defeat of the proposed merger vote announced on December 10, 2001. As President of the oldest union in the Northern Hemisphere, I will not allow 138 years of history and tradition fall victim to an attack by a rogue union that sits outside the house of labor for the express purpose of raiding the BLE.

A 70 percent majority of active BLE members who participated in the referendum voted not to merge with the UTU. Members of the BLE Advisory Board took this overwhelming majority vote as a mandate to do everything possible to defend our organization and to defend the historic operating crafts of locomotive engineer and conductor.

The BLE's Advisory Board met in Cleveland on December 19 and agreed to deploy all of the Brotherhood's assets to defend our organization and the historical operating crafts from the dangerous UTU attacks. However, this will still not be enough.

The Board decided that a tempo-

rary dues assessment of \$25 per member per month was necessary. The amount of \$25 per member per month is based on a financial analyses of several past representation elections. But we didn't stop there. The Advisory Board also voted to authorize taking a loan on the BLE's headquarters, the Standard Building.

We consider operating employees' right to choose their union affiliation a valuable asset, and we'll do whatever it takes to protect their rights, seniority, jobs, crafts and, ultimately, their livelihood.

The UTU has already fired the first shot in this battle and has targeted the Kansas City Southern property. The UTU is attempting to use the same tactic employed in 1998 and 1999 on the Union Pacific Railroad — the threat of combined operating crafts. In essence, the UTU is seeking to take over the BLE by eliminating the historic operating crafts of locomotive engineer, conductor, brakeman, switchman, fireman, hostler, and hostler helper, and combining them into a single craft of "train and engine service employees." If the NMB votes to create a single craft, it will force a representation election on the

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— BLE International President Don M. Hahs

KCS to determine which union will represent the new craft, thereby allowing UTU to use its greater numbers as leverage in an attempt to raid the BLE — and to ultimately destroy it.

The temporary \$25 monthly assessment and the loan on the Standard Building will be used to protect the historic craft lines. The UTU plan of attack is dangerous, and could result in combined seniority rosters, loss of jobs, reduced pay, and — if less than a majority of eligible employees vote in a representation election — no union representation whatsoever.

We are a Brotherhood and we're all in this together — freight and passen-

ger, all historic crafts, brothers and sisters. We're not fighting only for the continued existence of the BLE; rather, we are fighting to protect all existing operating crafts.

If the NMB decides in favor of the BLE, i.e., denies the UTU's application for a single-craft determination on KCS, then this temporary assessment will be cancelled immediately. If the NMB decides in favor of the UTU, we will vigorously challenge the Board's decision.

The BLE is a Brotherhood — the greatest Brotherhood in North America — and I can assure you that we will not sit idly by and see it destroyed. •

Frequently asked questions about dues assessment

Who does the dues assessment apply to?

The dues assessment applies to all BLE members who are remitting dues at the active, active/sub-standard, and train service rates. It also applies to Canadian non-members working as engineers.

Why was the assessment taken?

On December 19th, the Advisory Board met to chart a course for the defense of the BLE and the historic operating crafts of locomotive engineer and conductor against the aggressive actions of the UTU. After receiving an overwhelming mandate from the members by the merger vote, the Advisory Board decided to do everything that they could to prevent the destruction of craft lines as well as to prevent the destruction of the oldest labor organization in North America. The \$25 assessment will fund the BLE's campaign to protect its best interests and to defend historic operating crafts.

Why did the Advisory Board decide on \$25?

After an in-depth financial analysis, which included examining costs of previous representation campaigns and projecting them to possible future representation elections, the Advisory Board arrived at the \$25 figure.

Besides the assessment, what else is the BLE doing to raise money?

The Advisory Board also decided to begin the process of taking out a loan against its Cleveland headquarters, the Standard Building.

How long will the assessment last?

The assessment will not last a single day longer than absolutely necessary. We will continuously re-evaluate its need every 30 days.

Why was March 1 selected?

Even though the NMB has not yet ruled on the single-craft issue on the KCS property, the Advisory Board expects a decision within the first three calendar months of 2002.

The BLE Constitution & Bylaws mandates that a 60 day notice must be given on all dues increases or assessments. By making it effective March 1, 2002, the BLE will be in a better financial position to defend itself, as well as the historic craft lines, from the UTU attack.

If we wait until the NMB has ruled, the BLE would be in a precarious position. The Advisory Board decided the BLE must be prepared for whichever way the NMB rules.

How will the money be used?

It will only be used to protect the BLE in our fight to preserve the historic craft lines against the UTU's aggressive actions. It is not needed for normal operations.

Why should I remain in the BLE?

While some members may choose to desert the BLE in order to avoid higher dues, they should understand that they will be funding the demise of their own craft. By leaving the BLE and joining the UTU, members will be taking money away from the organization fighting to preserve historic craft lines and funding the organization trying to destroy them.

Why should I support this assessment?

This is not just the fight of a few leaders of this organization. This is the Brotherhood's fight. Through the overwhelming margin (17,251 to 7,425) of the merger vote, the majority of members told us that they wanted to fight to save this organization's autonomy and the autonomy of the crafts. The BLE is not the aggressor in this battle. We are being attacked. We are fighting to preserve all crafts and all jobs — and not just for the survival of the BLE. We're fighting for the future of all railroad operating workers. It is absolutely vital that we all work together in this fight.

BLE SCHOLARSHIPS

Joint Craft Scholarship deadline is April 1

A Joint Craft Scholarship is now available through the Brotherhood of Locomotive Engineers to college-bound children of all railroad operating crafts.

"To my knowledge this is the only scholarship program that covers all craft lines and is available on any railroad," BLE Burlington Northern-Santa Fe General Chairman John D. Mullen said.

The scholarships are available to children of employees working on any railroad represented by any railroad

union currently covered under the Federal Employers' Liability Act. It provides financial aid to children of active, retired, or deceased railroad employees who would be unable to attend college without financial assistance.

Established in 1995 by Brother Mullen and other dedicated BLE members, the Joint Craft Scholarship Program has awarded dozens of scholarships over the past six years.

Intended to provide financial assistance to children who otherwise

wouldn't be able to attend college, the scholarship offers several awards ranging from \$500 to \$1,000.

"There are no stipulations if you are already attending college or are just starting out," Mullen said. "The Committee focuses more on the applicant's financial need rather than his or her academic performance."

Completed applications must be received by April 1. Applications will be reviewed and award winners determined by the Railroad Crafts Scholar-

ship Foundation's Board of Directors at their annual meeting held in May of each year.

For an application packet, please write or call:

**Brotherhood of Locomotive Engineers
General Committee of Adjustment
BNSF/Santa Fe Committee
611 N. Broadway
Joshua, TX 76058
Phone: (817) 426-9003 •**

SMA Scholarships

The Southeastern Meeting Association (SMA) Scholarship Committee annually awards the Geiger-Brendle Scholarships to children of active or retired BLE members whose divisions participate in SMA.

Check with your division secretary-treasurer to ensure your division participates. The SMA includes divisions located in states east of the Mississippi River, and south of the Ohio River and the Mason-Dixon Line.

The SMA scholarship application deadline varies from year to year.

Winners are usually selected at the SMA's annual business meeting held during the convention, which will be June 16-20, 2002.

For an application, see your division officers or write:

**Ronald L. Perkins
SMA Sec.-Treas.
505 Chautauqua Avenue
Portsmouth, VA 23707**

SWCM Scholarships

The Southwestern Convention Meeting (SWCM) awards approximately two dozen scholarships annually, according to SWCM Scholarship Committee Sec.-Treas. Leo Srubas.

Applicants must be the child of an active, retired or deceased BLE member whose division belongs to the Southwestern Convention Meeting. Applicants must be accepted for admission to an accredited college, university or institution of higher learning. Only divisions belonging to the SWCM are eligible.

The SWCM will begin distributing and accepting scholarship applications as of March 1, 2002. The application deadline is Sept. 10, 2002, and winners are announced at the SWCM's annual convention, which will be Sept. 23-26, 2002. For details or an application, write:

**Leo Srubas
SWCM Scholarship Sec.-Treas.
5005 Georgia
Kansas City, KS 66104**

EUMA Scholarships

The Eastern Union Meeting Association awards \$1,000 scholarships each year based on academic excellence and financial need.

Only children of members (living or deceased) belonging to divisions participating in the EUMA are eligible to apply. Division must be square on the books for the child to qualify.

States represented in EUMA are Connecticut, Delaware, Illinois, Indiana, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Vermont, and Washington D.C.

Scholarship award winners are announced during the annual EUMA convention, which will be held August 18-23.

Completed application should be sent to:

**Gary J. Brink, EUMA Sec.-Treas.
12 Kellogg Ave.**

Port Jervis, NY 12771

Application forms can be found at:
<http://www.ble.org/pr/pdf/eumasch.pdf>

Applications due April 1 for GIA, joint GIA-IWC scholarships

The Grand International Auxiliary (GIA) to the BLE offers \$1,000 scholarships annually to help the children of BLE and GIA members realize their goals in life.

There are two very strict guidelines that must be met in order to be eligible.

First, the applicant must

be a son or daughter of both a GIA and BLE member (living or deceased), with each being a member for at least two years.

Second, the applicant must be enrolled or accepted for enrollment in an accredited university, college, or school of higher learning.

The GIA also offers a joint

scholarship program for children of members participating in the International Western Convention (IWC). This covers Divisions and Auxiliaries in the following states and provinces: Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming, Alberta, British Columbia, Manitoba, Saskatchewan, and portions of northern Ontario (such as Thunder Bay and Sioux Lookout). Applicants for the GIA-

IWC scholarship must have a parent participating in the IWC.

In order to continue to be eligible for the GIA-IWC scholarship beyond the first quarter and/or semester, the recipient must maintain satisfactory academic status. If the applicant is a graduate student or returning to school as a sophomore, junior or senior, he or she must have a 3.0 grade point average or better to be considered. Finally, the applicant

must have been accepted to an accredited school.

Deadline for the GIA as well as the GIA-IWC joint scholarships is usually April 1 of each year.

Applications are available through your local GIA auxiliary or BLE division. Members-at-large may obtain applications by writing:

**Anita J. Caruso
GIA International Sec'y.
3341 S. 112th Street
Omaha, NE 68144-4709 •**

BLE Divisions offer assistance

• **BLE Division 269** (Jamaica, Long Island, N.Y.) offers two \$500 scholarships to the children of BLE members who are already enrolled in college. Participation is limited to members of Division 269 only.

Winners are picked at random in a raffle held at the division's Christmas party. For details, watch your Division 269 newsletter or contact General Chairman Bob Evers at (516) 932-7130.

• Two \$250 scholarships are available to children of BLE members belonging to **Division 57** (Boston, Mass.).

The scholarships are awarded to college-bound high school seniors, and will be awarded based on their score on a labor history exam, administered by the Massachusetts AFL-CIO, said Division 57 S-T Walter H. Nutter.

By taking the exam, students also become eligible for eight more scholarships through the Massachusetts AFL-CIO. While the Division 57 scholarship is limited to children of that division's members, the general Massachusetts AFL-CIO scholarship competition is open to children of all BLE members living in Massachusetts. The deadline for these scholarships is early January.

For further details, contact Brother Nutter at: 83 Main St., Northfield, MA 01360-1015, or: whnutter@yahoo.com.

Information is also available on the Division's website: www.ble57.org.

• **BLE Division 11** (New York, N.Y.) awards a one-time \$500 scholarship annually to a child of any active member who pays local dues each month. Children who win are not eligible again. The deadline is the Division's June meeting.

For details, contact Division 11 S-T J.J. Raia, at 20 East Drive, Edison, N.J. 08820, (732) 396-9076, or e-mail: jjjob80@ix.netcom.com.

BR&CF sets March 1 deadline Luther G. Smith scholarships

The Brotherhood's Relief and Compensation Fund (BR&CF) sponsors the Luther G. Smith Scholarship Program. Applications are available only to the children, stepchildren and adopted children, age 27 and younger, of active BR&CF members who are in "Good and Regular Standing," as defined by the BR&CF Constitution.

Financial aid is provided to winners of the Luther G. Smith Scholarships for so long as they maintain continuous post-secondary education at an academic level of not less than 3.0 (4.0 scale), or the equivalent, until they achieve the degree level sought at the time of the initial

scholarship award. Aid is provided to awardees for the period in which they would normally be expected to complete their degree, not to exceed four years.

BR&CF President R.J. Myers reports that the deadline for receipt of applications and the required documentation is March 1, 2002.

If you have any questions, please contact Norann Kauffman of the BR&CF at (800) 233-7080. For more details, you can visit the BR&CF website at www.brcf.org, or write:

**Brotherhood's Relief & Compensation Fund
2150 Linglestown Road
Harrisburg, PA 17110**

Railroad Retirement questions?

Contact RRB Field Offices for answers

On December 21, President Bush signed the Railroad Retirement & Survivors' Improvement Act of 2001 into law. BLE members planning to take advantage of the new law by opting for an early retirement, or those with specific questions on how this will impact their retirement should contact the U.S. Railroad Retirement Board.

A complete copy of the text of H.R. 10 is available on the U.S. House of Representatives website at: <http://www.house.gov>.

Telephone Numbers for major RRB field offices are listed below:

Albany, NY: (518) 431-4004
 Albuquerque, NM: (505) 346-6405
 Altoona, PA: (814) 946-3601
 Atlanta, GA: (404) 331-2841
 Baltimore, MD: (410) 962-2550
 Bellevue, WA: (206) 553-5483
 Billings, MT: (406) 247-7375
 Birmingham, AL: (205) 731-0019
 Boston, MA: (617) 223-8550
 Buffalo, NY: (716) 551-4141
 Charlotte, NC: (704) 344-6118
 Chicago, IL: (312) 751-4500
 Cincinnati, OH: (513) 684-3188
 Cleveland, OH: (216) 522-4053
 Covina, CA: (626) 339-9993
 Decatur, IL: (217) 423-9747
 Denver, CO: (303) 844-4311
 Des Moines, IA: (515) 284-4344
 Detroit, MI: (313) 226-6221
 Duluth, MN: (218) 720-5301
 Fargo, ND: (701) 239-5117
 Fort Worth, TX: (817) 978-2638
 Harrisburg, PA: (717) 221-4490
 Houston, TX: (713) 209-3045
 Huntington, WV: (304) 529-5561
 Indianapolis, IN: (317) 226-6111
 Jacksonville, FL: (904) 232-2546
 Joliet, IL: (815) 740-2101
 Kansas City, MO: (816) 426-5884
 Little Rock, AR: (501) 324-5241
 Louisville, KY: (502) 582-5208
 Mesa, AZ: (480) 610-5990
 Milwaukee, WI: (414) 297-3961
 Nashville, TN: (615) 736-5131
 New Orleans, LA: (504) 589-2597
 New York, NY: (212) 264-9820
 Newark, NJ: (973) 645-3990
 Oakland, CA: (510) 637-2973
 Omaha, NE: (402) 221-4641
 Philadelphia, PA: (215) 597-2674
 Pittsburgh, PA: (412) 395-4634
 Portland, OR: (503) 326-2143
 Richmond, VA: (804) 771-2997
 Roanoke, VA: (540) 857-2335
 Sacramento, CA: (916) 498-6654
 Salt Lake City, UT: (801) 524-5725
 Scranton, PA: (570) 346-5774
 Spokane, WA: (509) 353-2795
 St. Louis, MO: (314) 539-6220
 St. Paul, MN: (651) 290-3491
 Tampa, FL: (813) 228-2695
 Westbury, NY: (516) 334-5940
 Wichita, KS: (316) 687-5973

Reporting events that can affect Railroad Retirement benefits

Rights to benefits under the Railroad Retirement Act also carry responsibilities for reporting events that may affect the payment of these benefits to the employee or to members of the employee's family. If these events are not reported, benefit overpayments can occur that have to be repaid, sometimes with interest and penalties.

Events that can affect the payment of a railroad retirement annuity and, when not promptly reported, result in benefit overpayments include:

- social security or certain other benefit awards, and changes in the amount of such benefit payments;
- post-retirement work and earnings;
- the death of an annuitant; and
- changes in marital status or a child leaving the care of a spouse or widow(er).

The following questions and answers describe how these events affect railroad retirement benefits and what should be done, if these events occur, to prevent overpayments.

1. How can the awarding of social security benefits result in a railroad retirement annuity overpayment?

Since 1975, if a railroad retirement annuitant is also awarded a social security benefit, the Social Security Administration determines the amount due, but a combined monthly dual benefit payment should, in most cases, be issued by the Railroad Retirement Board after part or all of the railroad retirement annuity has been reduced for the social security benefit.

A person should notify the Board when he or she files for social security benefits. If the Social Security Administration begins paying benefits directly to a railroad retirement annuitant without the Board's knowledge, an overpayment will occur. This frequently happens when a railroad employee's spouse or widow(er) is awarded social security benefits not based on the employee's earnings.

Also, annuitants who are receiving their social security benefits directly from the Social Security Administration must notify the Board if their social security benefits are subsequently increased for any reason other than annual cost-of-living increases, such as a recomputation to reflect post-retirement earnings. As such recomputations are usually retroactive, they can result in substantial overpayments.

While social security benefit information is provided to the Railroad Retirement Board as a result of routine information exchanges between the Board and the Social Security Administration, it will generally not be provided in time to avoid such a benefit overpayment.

2. What other benefit payments, besides social security benefits, require dual benefit reductions in a railroad retirement annuity?

For employees first eligible for a railroad retirement annuity and a Federal, State or local government pension after 1985, there may be a reduction in tier I for receipt of a public pension based, in part or in whole, on employment not covered by social security or railroad retirement after 1956. This also applies to certain other payments not covered by social security, such as payments from a non-profit organization or from a foreign government or a foreign employer. However, it does not include military service pensions, payments by the Department of Veterans Affairs, or certain benefits payable by a foreign government as a result of a totalization agreement between that government and the United States.

The tier I portion of a spouse or widow(er)'s annuity may also be reduced for receipt of any Federal, State or local pension separately payable to the spouse or widow(er) based on her or his own earnings. The reduction generally does not apply if the employment on which the public pension is based was covered under the Social Security Act on the last day of public employment. (A special rule applies to Fed-

eral employees who switch from the Civil Service Retirement System to the Federal Employees Retirement System.) In addition, most military service pensions and payments from the Department of Veterans Affairs will not cause a reduction.

If an employee is receiving a disability annuity, tier I benefits for the employee and spouse may, under certain circumstances, be reduced for receipt of workers' compensation or public disability benefits.

If annuitants become entitled to any of the above payments, they should promptly notify the Board. If there is any question as to whether a payment requires a reduction in an annuity, a Board field office should be contacted.

3. What other event is a major cause of railroad retirement overpayments?

Unreported post-retirement work and earnings in nonrailroad employment are a major cause of overpayments in railroad retirement annuities. Like social security benefits, railroad retirement tier I benefits and vested dual benefits paid to employees and spouses, and tier I, tier II and vested dual benefits paid to survivors, are subject to earnings deductions if post-retirement earnings exceed certain exempt amounts, which increase annually.

Legislation passed in April 2000 eliminated earnings deductions for those of full social security retirement age (age 65 in 2002). Deductions however, remain in effect for the months before the month of full retirement age during the calendar year of attainment. For those under age 65 throughout 2002, the exempt earnings amount is \$11,280 in 2002. For beneficiaries attaining age 65 in 2002, the exempt earnings amount is \$30,000 in 2002 for the months before the month age 65 is attained. For those under age 65, the earnings deduction is \$1 in benefits for every \$2 of earnings over the exempt amount. For those attaining age 65 in 2002, the deduction is \$1 for every \$3 of earnings over the exempt amount in the months before the month age 65 is attained.

Annuitants who work after retirement and expect that their earnings for a year will be more than the annual exempt amount must promptly notify the nearest Board field office and furnish an estimate of their expected earnings. This way their annuities can be adjusted to take the excess earnings into consideration and prevent an overpayment. Annuitants whose original estimate changes significantly during the year, either upwards or downwards, should also notify the Board.

Retired employees and spouses, regardless of age, who work for their last pre-retirement nonrailroad employer are also subject to an earnings deduction, in their tier II and supplemental benefits, of \$1 for every \$2 in earnings up to a maximum reduction of 50 percent. This earnings restriction does not change from year to year and does not allow for an exempt amount. Retired employees and spouses should therefore promptly notify the Board if they return to employment for their last pre-retirement nonrailroad employer, or if the amount of their earnings from such employment changes.

A spouse benefit is subject to reductions not only for the spouse's earnings, but also for the earnings of the employee, regardless of whether the earnings are from service for the last pre-retirement nonrailroad employer or other post-retirement employment.

4. How do post-retirement earnings affect disability annuities?

Special restrictions limiting earnings to \$400 per month, exclusive of disability-related work expenses, apply to disabled railroad retirement employee annuitants.

In any case, work performed by a disabled annuitant may be considered an indication of an individual's recovery from disability, regardless of the amount of earnings. Therefore, any earnings by a disability annuitant must be reported promptly to avoid potential overpayments.

These disability work restrictions ap-

ply until the disabled employee annuitant attains full retirement age (age 65 in 2002). This transition is effective no earlier than full retirement age even if the annuitant had 30 years of service. Also, a disabled employee annuitant who works for his or her last pre-retirement nonrailroad employer would be subject to the additional earnings deduction that applies in these cases.

5. What effect does railroad work have on an annuity?

No railroad retirement annuity is payable for any month in which an employee, spouse or survivor annuitant performed compensated service for a railroad or railroad union. This includes local lodge compensation totaling \$25 or more for any calendar month, and work by a local lodge or division secretary collecting insurance premiums, regardless of the amount of salary.

6. What should be done when a railroad retirement annuitant dies?

Survivors should notify the Board immediately upon the death of any retirement or survivor annuitant. Payment of a railroad retirement annuity stops upon an annuitant's death and the annuity is not payable for any day in the month of death. This is true regardless of how late in the month death occurs and there is no provision for prorating such a payment. Any payments received after the annuitant's death must be returned. The sooner the Board is notified, the less chance there is of payments continuing and an overpayment accruing. The Board would also determine whether any survivor benefits due are payable by the Board or the Social Security Administration.

7. What are some other events that can affect payments to auxiliary beneficiaries, such as spouses and widow(er)s, that should be reported?

A spouse, or divorced spouse, must immediately notify the Board if the railroad employee upon whose service the annuity is based dies. A spouse must notify the Board if her or his marriage ends in divorce or annulment and a widow(er) or divorced spouse must notify the Board if she or he remarries.

Also, benefits paid to spouses, widow(er)s and surviving divorced spouses that are based on the beneficiary caring for an unmarried child of the employee are normally terminated by the Board when the child attains age 18 (16 for a surviving divorced spouse) or if a disabled child over age 18 (16 for a surviving divorced spouse) recovers from the disability. However, the Board must be notified if the child leaves the beneficiary's care or marries.

8. Can an annuitant contest a decision that he or she has been overpaid?

Annuitants who believe a decision regarding a benefit overpayment is incorrect may ask for reconsideration and/or waiver of the overpayment. If not satisfied with the initial review, the annuitant may appeal to the Board's Bureau of Hearings and Appeals. Further appeals can be carried to the three-member Board itself, and beyond the Board to Federal courts.

Annuitants are told about these appeal rights any time a decision is made regarding a benefit overpayment.

9. How can an annuitant find out if an event might affect his or her railroad retirement benefit payments?

Annuitants should contact the nearest field office of the Board for information. If they write they should be sure to include their railroad retirement claim number. In any situation, the best rule is "If in doubt-report." The field office can not only advise the annuitant as to how a particular event would affect benefits but, in many cases, can take any necessary action at the field office level.

Annuitants can find the address and phone number of the Board office serving their area by calling the automated toll-free RRB Help Line at (800) 808-0772. They can also get this information from the Board's Web site at www.rrb.gov. •



RETIREMENT NEWS

Benefit and financing changes at RRB

President Bush signed the Railroad Retirement and Survivors' Improvement Act of 2001 into law on December 21, 2001.

The legislation liberalizes early retirement benefits for 30-year employees, eliminates a cap on monthly retirement and disability benefits, lowers the minimum service requirement from 10 years to 5 years of service if performed after 1995, and provides increased benefits for some widow(er)s. The financing sections of the new law provide for the investment of railroad retirement funds in non-governmental assets, adjustments in the payroll tax rates paid by employers and employees, and the repeal of a supplemental annuity work-hour tax.

The following was issued by the U.S. Railroad Retirement Board. It is a summary of the changes in railroad retirement benefits and financing provided by the new law, which was based on joint recommendations to Congress negotiated by a coalition of rail labor organizations and rail freight carriers.

Railroad Retirement Benefit Provisions

• **60/30 retirement.** The new law amends the Railroad Retirement Act by eliminating the early retirement reduction applied to the annuities of 30-year employees retiring between the ages of 60 and 62 if their annuities begin January 1, 2002, or later. The spouses of such employees would also be eligible for full annuities at age 60. Full 60/30 benefits have not been payable to 30-year employees retiring before age 62 since 1983 legislation reduced such early retirement benefits.

This provision is not retroactive and not applicable to 30-year employees who retired on the basis of age and service prior to January 1, 2002, or to their spouses, even if their spouses retire after 2001. However, if a disability annuitant is age 60 and has 30 years' service, his or her spouse can now receive an unreduced annuity as early as age 60 if the spouse's annuity beginning date is January 1, 2002, or later.

• **Maximum provision.** The new law eliminates, effective January 1, 2002, a maximum on the amount of combined monthly employee and spouse benefit payments which had been intended to prevent benefits from exceeding an employee's creditable earnings prior to retirement. This maximum provision had the unintended effect of reducing benefits for former employees with no earnings, or low earnings, in the 10-year period prior to retirement, and for long-service employees with moderate earnings.

While not retroactive, the amendment will prospectively increase benefits, effective January 1, 2002, for almost 2,600 employee and 12,000 spouse annuitants on the Board's rolls whose benefits were reduced by the maximum provision prior to 2002.

In 2001, the average monthly employee benefit reduction under the maximum provision was \$164, and the average spouse reduction was \$78. The removal of any benefit reductions ap-

plied to affected annuitants should be completed by June 2002. Such annuitants can expect to receive accrual payments in late May 2002 retroactive to January, and increased regular monthly payments reflecting their new rates beginning with the monthly payment due on June 1, 2002. Notices are being sent by the Board to all affected annuitants in January 2002 advising them accordingly.

Notices will also be sent in January to employees whose spouses may have been previously advised by the Board to defer filing for spouse benefits because of the adverse effects of the maximum provision, as their spouses would now want to consider filing for railroad retirement benefits.

• **Basic service requirement.** The new law lowers the minimum eligibility requirement for regular railroad retirement annuities from 10 years (120 months) of creditable railroad service to five years (60 months) of creditable railroad service for those with five years of service rendered after 1995. Benefits payable on the basis of this provision are not retroactive and are not payable earlier than January 1, 2002.

Also, for those with less than 10 years of service, additional earnings credits acquired under social security coverage would be required for a tier I benefit. A tier II benefit would be payable even if the employee never worked under social security coverage. Additional requirements apply in disability cases. In addition, a deceased employee with five years' service after 1995 must still have had a "current connection" with the rail industry in order for survivor annuities to be payable by the Board under this provision, rather than the Social Security Administration.

Anyone with five years of service performed after 1995, who was previously denied benefits because of the 10-year service requirement, will want to contact a Board office.

• **Widow(er)s' benefits.** The new law establishes an "initial minimum amount" which is based on the two-tier annuity amount that would have been payable to the railroad employee at the time the widow(er)'s annuity is awarded. The initial minimum amount is computed with a widow(er)'s tier II amount equal to 100 percent of the employee's tier II amount. Under prior law, the widow(er)'s tier II amount was equal to 50 percent of the employee's tier II amount; only the tier I amount equaled 100 percent. Widow(er)s' annuities computed on the basis of the new initial minimum amount will not be adjusted for annual cost-of-living increases until the annuity amount is exceeded by the annuity amount the widow(er) would have been paid under prior law, with all interim cost-of-living increases otherwise payable.

This provision is effective February 1, 2002, and is not payable retroactively. The Railroad Retirement Board estimates that about 20 to 25 percent of the widow(er)s on its rolls in 2001 will see some increase in their annuity.

This provision applies to widow(er)s on the rolls before the effective date only if the annuity the widow(er) is currently receiving is less than she or he would have received had the new law been in effect on the date the widow(er)'s annuity began. Most widow(er)s' annuities awarded before October 1986 will not be increased. Many of the widow(er)s' annuities currently being paid are already higher than the annuity that would be payable under the new law because of previous cost-of-living adjustments.

Widow(er)s affected by this change can expect to receive any accrual payments, retroactive to February, in late April of 2002, and increased regular monthly payments reflecting their new rates beginning with the payment they receive on May 1, 2002. Letters will be sent in January to affected widow(er)s on the Board's rolls, advising them as to whether they will receive an increase. As a result, widow(er)s do not need to take any action or contact the Board.

Railroad Retirement Financing Provisions

• **Investment changes.** The new law provides for the transfer of railroad retirement funds from the Railroad Retirement Accounts to a new National Railroad Retirement Investment Trust, whose Board of seven trustees is empowered to invest Trust assets in non-governmental assets, such as equities and debt, as well as in governmental securities.

The Trust will not be treated as an agency or instrumentality of the Federal Government. Its Board of Trustees will be comprised of seven members: three members selected by rail labor to represent the interests of labor; three members likewise selected by rail management to represent management interests; and one independent member selected by a majority of the other six members. The new law also provides that if the parties involved cannot agree on the selection of Trustees within 60 days of the law's enactment date, an impartial umpire shall, at the petition of a party to the dispute, be appointed by the District Court of the United States for the District of Columbia. The Trustees will be appointed only from among persons who have experience and expertise in the management of financial investments and pension plans. The Trustees will be subject to reporting and fiduciary standards similar to those under the Employee Retirement Income Security Act.

The new law also allows for railroad retirement benefit payments in the future to be issued by a qualified non-governmental financial institution, rather than the Treasury Department. The selection of the financial institution would be made by the Railroad Retirement Board, after consulting with the Board of Trustees and the Secretary of the Treasury. Railroad retirement payments will continue to be processed through the U.S. Treasury in the meantime.

• **Effect on payroll tax rates.** The new law reduces the tier II tax rates

on rail employers, including rail labor unions, in calendar years 2002 and 2003, and beginning with 2004 provides automatic adjustments in the tier II tax rates for both employers and employees. It also repeals the supplemental annuity work-hour tax rate paid by employers, beginning with calendar year 2002.

The tier II tax rate on rail employers and rail labor organizations is reduced from 16.10 percent to 15.60 percent in 2002 and to 14.20 percent in 2003, but the tier II earnings base is not changed; and for 2002, that amount remains at \$63,000. The tier II tax rate for rail employee representatives will be 14.75 percent in calendar year 2002 and 14.20 percent in 2003.

While there will be no change in the tier II tax rate of 4.90 percent on employees in the years 2002 and 2003, beginning with the taxes payable for calendar year 2004 tier II taxes on both employers and employees will be based on the ratio of certain asset balances to the sum of benefits and administrative expenses (the average account benefits ratio). Depending on the average account benefits ratio, tier II taxes for employers will range between 8.20 percent and 22.10 percent, while the tier II tax rate for employees will be between 0 percent and 4.90 percent.

The new law does not affect tier I social security equivalent tax rates. The tier I tax on employees and employers remains the same as for social security covered employees and employers.

• **Other revenue provisions.** While supplemental railroad retirement annuities provided by the Railroad Retirement Act continue to be due and payable, the new law, in addition to repealing the supplemental annuity work-hour tax, also eliminates the separate Supplemental Annuity Account under the Railroad Retirement Act. Supplemental annuities provided under the Railroad Retirement Act will now be funded through the new National Railroad Retirement Investment Trust.

No changes were effected in railroad unemployment insurance taxes on employers.

On a final note, the Board is making every effort to notify by mail all parties affected by this legislation as soon as possible. Therefore patience on the part of annuitants would be appreciated when contacting Board offices, as a higher than usual volume of calls is expected as a result of the passage of this legislation.

Railroad Retirement Board offices are open to the public Monday through Friday, except on Federal holidays. Persons can find the address and telephone number of the Board office serving their area by calling the Board's automated toll-free Help Line at (800) 808-0772, or from the Board's Web site at www.rrb.gov.

E-mail inquiries about this legislation can be sent to the RRB by going to the Board's Web site. Under "Latest News!" on the opening page, click on "Send us a secure message about the new Law or its effect on you." •

Thinking of an early retirement?

United Healthcare provides answers to commonly asked insurance-related questions

When President Bush signed the Railroad Retirement reform legislation into law on December 21, thousands of railroaders became eligible to retire at age 60 with 30 years of service — and with no reduction in their annuity.

The following information has been provided by United Healthcare to help answer common questions posed by potential retirees. After reviewing the following, members who still have questions can contact United Healthcare directly at: (800) 842-5252.

Changes to the Railroad Employees National Early Retirement Major Medical Benefit Plan (GA-46000)

Recent changes to the Railroad Retirement Act will allow employees who are 60 years old with 30 or more years of service to retire at age 60 with no reduction in their RRB annuity.

An important consideration for anyone thinking about retirement is health coverage after you retire.

New Eligibility Rules

Along with the changes in the Railroad Retirement Act, the labor organizations representing railroad employees have negotiated a change in the eligibility rules under the Railroad Employees National Early Retirement Major Medical Benefit Plan (GA-46000), administered by United Healthcare.

Prior to January 1, 2002, GA-46000 required an employee to retire on or after reaching age 61. After this date, you can retire at age 60

Railroad Retirement & Survivors' Improvement Act of 2001 <i>Tentative implementation schedule, based on enactment in December 2001</i>		
Provision	Effective Date	Implementation Date
Widow(er)'s Benefits	February 1, 2002	<ul style="list-style-type: none"> Jan. 2002 — Letters to all widows advising whether increase payable or not. April 2002 — Rate notices sent to widow(er)'s who will receive increase. April 2002 — Payments issued for increase due for February or March. May 1, 2002 — Regular payment increased.
60/30 Annuities	January 1, 2002	<ul style="list-style-type: none"> Upon enactment — Employees and spouses may begin to file applications. Feb. 2002 — Payments will be made at a temporary rate. June 2002 — Final annuity rates computed and payments issued for any accrued amounts due. July 1, 2002 — Monthly payments made at final rate.
Five-Year Vesting Requirement	January 1, 2002	<ul style="list-style-type: none"> Upon enactment — Applicants may begin to file applications. Feb. 2002 — Payment will be made at a temporary rate. November — Monthly payments made at final rate.
Repeal of Railroad Retirement Maximum	January 1, 2002	<ul style="list-style-type: none"> Jan. 2002 — Letters will be sent to affected annuitants advising that the reduction was repealed. May 2002 — Rate notices released to affected annuitants. May 2002 — Separate payment for the increase due is issued. June 1, 2002 — Monthly payments made at increased rate.

and will be eligible for coverage under this plan if you meet the following eligibility requirements:

For age annuitants:

- You apply for a 60/30 annuity for which you are eligible:
 - on or after the date you reach age 60; or
 - anytime during the three months before your 60th birthday, provided you continue working into the month before the month in which you turn age 60;
- On the day before you apply for your annuity, you must be covered (other than COBRA) under the Federal Employees National Health and Welfare Plan.

For disability annuitants:

- You have a current connection with the railroad industry;
- You have applied for a disability annuity to which you are entitled;
- You are covered under the Railroad Employees National Health and Welfare Plan (other than by COBRA) on the day before the latest of the following dates:
 - The date you reach 60;
 - The date you became disabled;
 - The date your railroad service equals 30 years.

In addition to the changes in eligibility rules, the lifetime maximum under GA-46000 will

be adjusted each year by the medical cost component of the Consumer Price Index. The Lifetime Maximum for 2002 will be \$79,000.

If you retire and are eligible for GA-46000, you can also purchase supplemental coverage under GA-23111, Plan E. Generally, Plan E pays 70% of the expenses not paid under GA-46000 and has a lifetime maximum of \$200,000.

Enrollment is Necessary

When you retire, your railroad will not report you to United Healthcare as a retiree eligible for GA-46000. You must enroll yourself and your family with United Healthcare. You can do this in two ways:

You can purchase GA-23111, Plan E. Your eligibility

for GA-46000 will be verified when your enrollment for that coverage is processed. ID cards for both GA-46000 and GA-23111 will be sent to you. A booklet explaining the Plan E benefits and an enrollment form can be obtained by calling United Healthcare.

You can complete and return the "Retiree and Dependent Information" form found in the center of the GA-46000 employee booklet. Your eligibility will be verified and a GA-46000 ID card will be sent to you. You can obtain a GA-46000 booklet from your employer or union representative.

If you have any questions about your eligibility for GA-46000 or the benefits provided under the plan, call United Healthcare at (800) 842-5252.

Railroad Retirement Board announces revised payroll taxes for Year 2002

The Railroad Retirement and Survivors' Improvement Act of 2001, signed into law by President Bush on December 21, 2001, among other provisions, amended the Internal Revenue Code to reduce tier II railroad retirement tax rates on rail employers, including rail labor organizations, in 2002 and 2003, and provided for future adjustments in the tier II railroad retirement tax rates assessed on both rail employers and rail employees, depending on railroad retirement fund levels. The new law also repealed the railroad retirement supplemental annuity tax paid by rail employers.

Under the new law, rail employers and rail labor organizations will pay a tier II retirement tax of 15.60 percent in 2002 and 14.20 percent in 2003. Under prior law, the rate was 16.10 percent. The tier II tax rate for rail employee representatives will be 14.75 percent in 2002 and 14.20 percent in 2003. The new law does not affect the tier II earnings bases, and the maximum amount of an employee's railroad earnings subject to the tier II tax will be \$63,000 in 2002, as previously announced.

While there is no change in the tier II tax rate of 4.90 percent for rail employees in the years 2002 and 2003, the new law provides future automatic adjustments in the tier II tax rates for employees as well as for employers. Beginning with the taxes payable for calendar year 2004, tier II taxes will be based on the ratio of certain asset balances to the sum of benefits and administrative expenses. Depending on this ratio, tier II tax rates for employers will range between 8.20% and 22.10%, while the tier II tax rates for employees will be between 0% and 4.90%.

The new law does not change the railroad retirement tier I tax on rail employers and employees. The tier I tax rate remains at 7.65 percent for employers and employees, which is the same as the social security tax, and for withholding and reporting purposes is divided into 6.20 percent for retirement and 1.45 percent for Medicare hospital insurance. The maximum amount of an employee's earnings subject to the 6.20 percent rate is still \$84,900 in 2002; there is no maximum on earnings subject to the 1.45 percent Medicare rate.

In 2002, a rail employer's tier I and tier II retirement taxes on an employee earning \$84,900 will be \$16,322.85. Under prior law, the amount would have been \$16,637.85 in 2002.

The new law also repealed the railroad retirement supplemental annuity tax, which is no longer payable for years after 2001. This work-hours tax had been paid solely by rail employers and employee representatives and at a rate determined quarterly by the Board, 26 cents per work-hour throughout 2001.

The new law does not affect railroad unemployment insurance taxes in any way. These taxes, paid by rail employers, are experience-rated by employer, and in 2002, the unemployment insurance tax rates range from 3.15 percent (the minimum basic rate of 0.65 percent plus a 2.50 percent surcharge) to a maximum of 12 percent on monthly compensation up to \$1,100. The 2.50 percent surcharge does not apply to new employers in 2002. New employers pay an unemployment insurance tax rate of 2.71 percent, which represents the average rate paid by all employers in the period 1998-2000. •

BLE NEWS

BLE to conduct four S-T workshops in 2002

Compliance Department offers tax tips

The Brotherhood of Locomotive Engineers will conduct four Secretary-Treasurer, Local Chairman and Legislative Representative training workshops in 2002.

The workshops will take place at the BLE's four regional meetings — June 16-20 in Virginia Beach, Va., July 21-25 in Kennewick, Wash., August 18-23 in Wilkes-Barre, Pa., and September 23-26 in Fort Worth, Texas. For convention contact information and registration details, please see the Calendar and Events listing at the right of this page.

Secretary-Treasurers, Local Chairmen and Legislative Representatives are encouraged to attend one or more of these workshops to bring them up to speed on the most current rules and regulations affecting their jobs.

It is highly recommended that first-time and newly-elected officers attend one of these workshops, but they have proven beneficial to veteran officers as well.

All workshops will be administered by International Division officers and Staff.

During the intensive Secretary-Treasurer sessions, S-Ts will learn proper record keeping techniques, computer applications, minute-taking techniques and required reporting procedures.

2001-2002 Tax Tips

Dr. Elaine Reese, Director of the BLE's Compliance Department, often lends assistance to S-Ts completing their Division's and GCofA's tax returns. This year, Dr. Reese offers the following tips:

- Any ST who desires to list Dr. Reese as the "Third Party Designee" on the CT-1 tax return are welcome to do so. However, they must contact Dr. Reese to obtain her PIN by calling: (216) 241-2630, extension 243.

- Please be patient with the Department of Labor. They have not sent the forms out yet but they will before January 31. Do not purchase any software, because the DOL is sending S-Ts a CD so that they may use a computer to complete their LM reports. S-Ts will not be able to file electronically this year but the CD is a step in that direction. •

JANUARY 2002 CALENDAR & EVENTS

JUNE 16-20, 2002... 75th Southeastern Meeting Association, Virginia Beach, Va.
Chairman T.C. Emory is hosting the 2002 SMA at the Virginia Beach Resort Hotel & Conference Center from June 16-20, 2002. Discount room rates of \$99 per night have been secured and the reservation deadline is May 24, 2002. Reservations can be made by calling (800) 468-2722 (in Virginia please call (800) 422-4747). A dinner cruise is being planned as part of the festivities. Space is available on a first-come, first-served basis, so you must register as soon as possible if you are interested. For pre-registration form, please contact Brother T.C. Emory at 4912 Euclid Rd., Virginia Beach, VA 23462. E-mail requests can be sent to: <ble456@mindspring.com>.

JULY 21-25, 2002... 62nd Annual International Western Convention, Kennewick, Wash.
Hosted by Chairman William Amaya in the Tri-Cities area of Washington State, the 2002 IWC is a convention you will not want to miss. Guests will stay at the Westcoast Tri-Cities Hotel at: 1101 N. Columbia Center Blvd., Kennewick, WA 99336, and reservations can be made by calling (509) 783-0611. Mention the BLE convention to receive discounted room rates of \$85 per night (U.S. and Canadian currency). For more details, contact Chairman Amaya by calling (509) 628-8844. IWC 2002, the "Unlimited Convention," will coincide with the "Unlimited Hydroplane" race series. Guests can extend their stays a few days to enjoy the Columbia Cup hydroplane race, one of the fastest sports on the planet.

AUGUST 18-23, 2002... Eastern Union Meeting Association, Wilkes-Barre, Pa.
Arrangements Chairman Ken Kertesz and members of BLE Division 263 host the 2002 EUMA in Wilkes-Barre, Pa., at the Woodlands Inn & Resort. Nestled in the Northeastern Poconos, members will enjoy a discounted room rate of \$95 per night (plus tax) for a single or double. Room rates include a fully cooked breakfast each morning and a shuttle service to and from the Wilkes Barre-Scranton International Airport. Reservations can be made by calling (570) 824-9831. Be sure to mention the EUMA in order to receive the discounted room rate. Tentative activities include golf tournament, formal banquet, visit to Steamtown National Historic Site, and a minor league baseball game. For details, contact Brother Kertesz by phone at (570) 675-2417 or by e-mail at: <kkertesz@dallas.gotm.net>.

SEPTEMBER 23-26, 2002... 67th Annual Southwestern Convention Meeting, Ft. Worth, TX
Chairman Mark Banton and members of BLE Division 500 host the 2002 SWCM, to be held at the Radisson Hotel, 815 Main Street Fort Worth, TX 76102. Reservations can be made by calling (817) 870-2100. The tentative agenda is as follows: Monday, September 23: convention registration and golf tournament (8 a.m.); September 24: opening ceremony and barbecue dinner; September 25: workshops and formal banquet; and September 26: closed meeting and SWCM business meeting. For more details, contact Chairman Banton at (817) 641-4606.

Advisory Board December Activity

By action of the delegates at the Fifth Quinquennial Convention, summaries of BLE Advisory Board members' activities are published monthly:

International President Don M. Hahs—International Office: General supervision of BLE activities; AFL-CIO convention, Las Vegas; Advisory Board mtg., Cleveland; Division Christmas parties in Kansas City, San Antonio, Scott City, Mo.; ID staff Christmas party; Mtgs. w/ AFL-CIO affiliate unions, including Pat Friend, AFA; Morton Bahr, CWA; R. Scardelletti, TCU; G. McEntee, AFSCME; Mac Fleming, BMWE; Mtgs. w/ UTU President Sweeney & S-T Trumka.

First Vice-President & Alternate President Edward W. Rodzwick—AFL-CIO convention, Las Vegas; VGC W.A. Thompson, NS-E, Imperial; South Buffalo RR contract negotiations, Buffalo; Mtgs. w/ AFL-CIO President Sweeney, S-T Trumka, and Ed Wytkind, TTD, Washington D.C.; Publications Committee mtg.; Advisory Board mtg.; Mtg. w/ John Collins, NYSLB chairman, Buffalo; Assisted President in operation of International office.

General Secretary-Treasurer William C. Walpert—General supervision of BLE financial and record depts.; ID office; BLE Education & Training Dept.; Internal Organizing, Mobilizing & Strategic Planning Dept.; BLE Safety Task Force; AFL-CIO convention, Las Vegas; Observe BLE-UTU ballot count, Detroit, Mich.; Advisory Board mtg.; Div. 182 Christmas party; ID staff Christmas party; Mtgs. w/ AFL-CIO President Sweeney & S-T Trumka; Mtgs. w/ AFL-CIO affiliate unions, including Pat Friend, AFA; R. Scardelletti, TCU; G. McEntee, AFSCME; Mac Fleming, BMWE.

Vice-President Paul T. Sorrow—Assisted NS, CSXT and GTW GCofA; Arbitration Article IX, CSX-W; Arbitration seniority dispute, CSX-N; Advisory Board mtg.; Assisted in preparing Section 6 notices for Wheeling & Lake Erie; Attended mtgs./banquets at Divisions 803, 463, 782 and 239; Assisted in preparing cases for PLB CSX-Executive Session; General office duties.

Vice-President Joseph A. Cassidy Jr.—Mtg. w/ General Chairman Roberts-CSX; Mtg. w/ five local chairmen-Shared Assets; Mtg. w/ designated counsel; Prepare of arbitrations, New York, Susquehanna & Western; Projects at ID office; Mtg. w/ Div. 607; Research security measures; General office duties; Study & paperwork; Conference w/ OSLBC, re: engine security; Advisory Board mtg.; LIRR.

Vice-President & U.S. Nat'l Legislative Representative Raymond A. Holmes—Washington D.C. office; Annual rail labor/DLC barbecue, Rockdale, TX; Hunt County, TX democratic dinner; Railroad Retirement coalition mtg.; Various congressional receptions; FRA hearing on Webtech's waiver petition; AFL-CIO admin. mtg.; TTD legislative mtg.; Mtg. w/ AFL-CIO President Sweeney & S-T Trumka; Mtg. w/ Shortline and Regional Railroad Assoc.; TTD executive cmte. mtg.; Mtg. w/ Bob Allen, Chairman, NRLC; Mtg. w/ railroad division of NTSB; Mtg. w/ Ed Hamberger, AAR President.

Vice-President Merle W. Geiger Jr.—Assigned to following properties: Kansas City Southern; Midsouth; South Rail; Gateway Western; Delaware Hudson/ Springfield Terminal; Assigned to SBA 1062, PLB 5527, PLB 6145; Mtg. w/ KCS Gen. Chair Sam Parker; Div. 573 mtg., Wylie, TX; Mtg. w/ KCS-MRL, Kansas City; Multi-divisional Christmas party sponsored by designated counsel, Kansas City; Advisory Board mtg.; BNSF GCofA open house, Fort Worth, TX. General office duties.

Vice-President Stephen D. Speagle—Office work; Chairman of Board of Managers, Wabash Hospital Assoc. mtgs., NS-Northern Lines; BNSF Safety mtgs.; BNSF General Committee mtgs., on-property negotiations; BNSF GCofA mtg. w/ BNSF VP of Labor Relations; Div. 155 mtg., NS; Mtg. w/ all NS General Chairmen, Cleveland.

Vice-President E.L. "Lee" Pruitt—Assigned to following properties: UP-Western Lines; UP-Western Region; UP-Central Region; UP-Southern Region; Tacoma Belt; UPRR on-property negotiations, Omaha; Office work/paper work; BLE Advisory Board mtg.

Vice-President Richard K. Radek—International Office; BLE Decertification Helpline services; Director of Arbitration Dept.; National Railroad Adjustment Board (NRAB); Illinois Central; Wisconsin Central; Indiana Harbor Belt; METRA; Belt Rwy. of Chicago; Paduca & Louisville; Chicago Central & Pacific; CN/IC contract negotiations, Chicago; File Declaration, USDC, re: BNSF et al v BLE (remote control); Labor/management cmte.; CN/WC contract negotiations, Rosemont, Ill.; BRC general assistance, Chicago; Advisory Board mtg., Cleveland; WC general assistance, Fon du Lac, Wisc.; FRA Part 240.409 dockets this month: EQAL 00-5, 01-06, 98-84.

Vice-President Dale McPherson—UP Eastern Lines; CP/U.S. (Soo); I&MRL; M&NA; LP&N; Longview Sw. Co.; TRRA-St. Louis; UP Special Project-work/rest; Indiana RR; Pacific Harbor Line; BNSF safety operations task force; UP-former CNW; General office duties; UP section 6 notices, Omaha; IMRL/KCS jt. agency, Kansas City; Mtgs. w/ Gen. Chrmn. M.D. Priestler/CP Rail; General office duties.

Vice-President & Canadian Director Gilles Hallé—Ottawa Office; Mtg. w/ CN Rail, re: video community fund, Montreal; Baultar visit, Windsor; Mtg. w/ VIA Rail; BRCF visit, Harrisburg; F. Cooper's retirement dinner, Montreal; CN Rail national negotiations; Advisory Board mtg., Cleveland.

Vice-President & National Legislative Representative-Canada T. George Hucker—Ottawa Office; National Legislative Board-Canada; Computer training; Canadian Pension and Benefits conference; Algoma Central negotiations; Maple Leaf dinner w/ Minister of Labour; LTD mtg.; RCTC GCofA mtgs.

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Report major accidents when they happen

One ring has been found

Found: One man's ring, by CSX Conductor Ken Beamer.

The ring was found on engine GCFX 3057 at Ridgeway, Ohio, in mid-November. The engine had been last used on Q36717, but had been in Selkirk, N.Y., North Bergen, N.J., and other locations in the east on previous days.

To claim the lost ring, call Ken at (614) 890-7497 or e-mail him at: <blisterfoot49@yahoo.com>.



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Brotherhood of Locomotive Engineers
Since 1863, a Tradition of Forward Thinking

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