



From The Desk of Joe R. Duncan, PDGC

Update On the National Freight Negotiations

June 4, 2010

Subject: National Freight Negotiations

Re: Meeting on April 6, 7, & 8th

TO: All IAM & AW Members Subject to National Freight Agreement

Dear Sisters and Brothers:

I want to take this opportunity to update you on our Negotiations conducted in April, 2010.

On April 6th we discussed the Shop Craft issues and I presented our issues in great detail.

On April 7th and 8th the discussions were completely on the issues of Health and Welfare and the Carriers "Economic Considerations of Bargaining" The Carrier's presented a power point on each, which boils down to: Carriers Critical Health & Welfare Concerns, are Plan Costs Are Too High, Plan Coverage is Too Generous and The Employee Share of Plan Costs is Too Low.

The Carrier's Economic issues boil down to the Railroads have been harmed by the deep recession and "Pressure builds to increase cost from all areas". They state Railroad employees are already in a preferred position and have benefited from recent agreements, further, they have unfunded mandates requiring additional investments in capital, Shippers are pushing legislative changes to regulate the railroads and of course Cost of Health Care is rising at unsustainable levels.

As you can see, we are facing Railroads with Alleged Major Issues and we must remain strong and fight their type of mentality.

We have additional meetings scheduled for July 7 & 8, 2010, in Washington, DC.

We will attempt to keep you informed as the negotiations continue and I want to thank you for continued support.

Sincerely and fraternally yours,

Joe R. Duncan
Pres. Dir. Gen. Chairman/Railroad Coordinator