



Brotherhood of Locomotive Engineers and Trainmen

A Division of the Rail Conference—International Brotherhood of Teamsters

NATIONAL DIVISION

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DON M. HAHS
National President

September 8, 2005

ALL ENGINEERS ON METRO NORTH RAILROAD

Dear Brothers and Sisters:

It has been brought to my attention that some of our engineers on Metro North property are uncertain as to what the National Division (formerly International Division) provides insofar as services to the membership, local division officers, general committee officers and legislative representatives. Hopefully, this letter will help clarify the role of the National Division.

The BLET is a grass roots organization. In other words, the membership directs the organization and the National Division provides assistance to all levels of the organization when such assistance is requested. The National Division, however, does not interfere in the negotiations or work of the subordinate units of the Brotherhood. The bylaws of our organization prohibit the National Division from intervening in any matter which comes under the jurisdiction of a general committee of adjustment unless specifically requested to do so by the general chairman. When the National Division receives a request for assistance from a general chairman, such assistance is provided without delay. When Mike Doyle was the BLE general chairman, he received assistance from the International Division whenever he requested such assistance.

The BLET has vast resources available to assist our officers and members. We have a Passenger Department directed by a National Division officer; we have a Short Line Railroad Department; a Trainmen's Department; an Arbitration Department; an Education and Training Department; and a Legal Department. In addition, since January 1, 2004 the enormous resources of the International Brotherhood of Teamsters are available to the National Division for providing assistance to our officers and members.

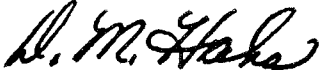
When the BLE merged with the Teamsters on January 1, 2004, we became a part of the largest transportation union in the country. Each and every time we have asked the Teamsters for assistance, they have provided it without delay. Our rank and file membership voted overwhelmingly (81% in favor) to merge with the Teamsters. Once again however, that importance decision, was not made by the officers of the organization but instead by the rank and file membership.

ALL ENGINEERS ON METRO NORTH RAILROAD

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I feel it is in your best interest to sign an A card if you have not already done so and vote for the BLET when a representation election is held on the Metro North property.

Fraternally yours,

A handwritten signature in black ink, appearing to read "H. M. Hake". The signature is written in a cursive style with a large, looping initial "H".

President



Brotherhood of Locomotive Engineers and Trainmen

A Division of the Rail Conference—International Brotherhood of Teamsters

September 19, 2005

Dear Fellow Brother and Sister Engineers:

The members of BLE&T Division 127 would like to address the intimidation and coercion-taking place on Metro-North property since our International mailed out A-cards in June. ACRE members were asked to bring their A-cards up to the Association office in some sort of a show of loyalty. We the members of Division find this behavior incredulous. Mark Twain once said that the art of politics is to stop the people from getting involved in matters that concern them. It has never been enacted more effectively than within the Transportation Department on Metro-North. ACRE members were swayed to sign a contract that every other union on Metro-North rejected. The coalition of unions considers the ACRE "historic" agreement an attack on their members' benefits and future financial well-being.

ACRE has made us the most uninformed group of Engineers in the country. We do not have current contract books, no pension or benefit books, nor do we know our rights or sidebar agreements. ACRE is an Association that is dedicated to the proposition that their officer needs and desires come first. Only after ACRE officers and Metro-North's needs are satisfied, can any attention be given to the ACRE membership. This was made clearly apparent with the two secret side bar agreements signed by Mike Doyle and Ray Burney and intentionally left out of the contract ratification package. The first one dealt with ACRE and Metro-North working in harmony towards the MTA LIRR & Metro-North merger. The second one dealt with ACRE officers being paid full salary and benefits while being marked off for union business. The ACRE leadership tact has been to avoid these and all other issues thru innuendo and misinformation. Why were these two important signed side bar agreements hidden from the ACRE membership and not presented for approval? This was a flagrant violation of the ACRE Constitution.

Many times BLE&T officers have accepted ACRE's challenges to meet with them to debate the issues and future of our membership and craft. This debate has never materialized thru no fault of BLE&T officers. The last thing the ACRE leadership wants is to give us a forum in front of the ACRE membership. Why? ACRE is at their crossroads. They cannot defend their contract, promises or predications. ACRE Local 9 is losing half of their officers. DeAndrus and Gunderman are leaving. What about the future? 70% of ACRE members have more than 10 years to go before they can retire. Meanwhile the ACRE leadership has less than 10 years to go before they can all retire. The ACRE leadership is poised and content to slash and cut our agreements to suit the older 30% of the ACRE membership at the expense of the remaining 70%. This is the reasoning behind why all newly hired ACRE members' need to co-pay 18% of the cost of their medical benefits including all future adjustments. Every January our newly hired ACRE members take a reduction in pay. How could ACRE officers just sign them away and force our most junior members to co-pay for their medical benefits throughout their

entire railroad careers, and then upon retirement, they **do not** receive a lifetime medical benefit? Now the question becomes, if these junior engineers want the lifetime medical benefit, what else must they give up to receive it? Our new hires will end up paying twice for this benefit. Are senior ACRE members really insulated from ever co-paying for their medical? All we have is an ACRE officers' word. Remember your Vanguard?

ACRE's "historic" contract will continue to eat away future earnings. There is currently no cap on the 3% salary contribution that ACRE members pay into this pension plan. If and when ACRE goes back to the bargaining table to negotiate one, (minimum of 10 years, that every other union received when they signed for the pension plan with the MTA) it will cost everyone a minimum of a 1% future salary increase. What will it cost ACRE members to correct the tier II offset?

One real concern that has come about from the rejection of the ACRE contract by the coalition of unions is the unfortunate reality that ACRE members overpaid for this pension plan. The pension plan is fully funded and paid for with ACRE members' money. The MTA has no worries when it comes to making payments to ACRE retirees. ACRE members' contributions just keep flowing in. All the MTA has to do is keep future pension payouts down and the plan will keep on paying for itself.

Review the enclosed information concerning the summary of finances for Local 9 in 2004. All of the information presented was received from the LM2 reports ACRE Local 9 officers certified and submitted to the U.S. Department of Labor.

Review the W-2 statements concerning BLE officers' salaries in 1999. Compare this to the salaries that ACRE officers received in 2004. In 1999 under the BLE, officer payroll expense totaled \$28,024.50. In 2004 under ACRE, officer payroll expense totaled \$152,339.00, an increase of \$124,314.50. Does our recent "historic" contract, current working conditions or 10% dues increase, warrant these types of ACRE officers' salaries? Is this the real reason why ACRE officers lead the membership out from under the umbrella of and away from the BLE International?

Ours is not a political argument it is an argument concerning right from wrong. Enclosed are some more A-cards. If you feel pressured to satisfy the leadership on the 2nd floor of the Graybar building, (vacation changes, personal days or process to your claims) go right ahead and surrender an A-card. Then do yourself, your family, your craft and future fellow engineer a tremendous favor by signing and returning one of the left over A-cards. You hold in your hand the opportunity to remove the veil of secrecy from within the Association and to hear both sides of the issues concerning what has transpired on Metro-North over the past 4-½ years. ACRE officers' do not want you to sign an A-card. They are going out of their way not to have you sign one. Why? What are they afraid of?

We thank you for your time and if you have any questions or concerns, please feel free to contact any BLE&T officer.

Members of BLE&T Division 127

SUMMARY OF ACRE DIVISION 9 OFFICERS SALARIES & EXPENSES FOR 2004

General Chairman	10 days per month - \$30,672 per year
Local Chairman (4 positions)	4 days per month - \$12,269 per year
Secretary / Treasurer	4 days per month - \$12,269 per year
President	2 days per month - \$ 6,135 per year
Legislative Representative	2 days per month - \$ 6,135 per year

ACTUAL SALARIES & EXPENSES FOR 2004

Mike Doyle - General Chairman	Salary - \$44,016 (plus company salary)	Expenses \$4,931	- Total compensation \$48,947 Exceeded approved salary by \$18,275
Ron DeAndrus - Local Chairman	Salary - \$20,180	Expenses \$8,700	- Total compensation \$28,880 Exceeded approved salary by \$16,611
Dick Gunderman - Local Chairman	Salary - \$18,984	Expenses \$6,075	- Total compensation \$25,059 Exceeded approved salary by \$12,790
Tom Cooper - Local Chairman	Salary - \$16,049	Expenses \$3,111	- Total compensation \$19,160 Exceeded approved salary by \$6,891
John Potthast - Local Chairman	Salary - \$17,555	Expenses \$3,891	- Total compensation \$21,446 Exceeded approved salary by \$9,177
Mike McCarthy - President	Salary - \$11,016	Expenses \$128	- Total compensation \$11,144 Exceeded approved salary by \$5,009
Joe Lindenburg - Secretary / Treasurer	Salary - \$16,222	Expenses \$444	- Total compensation \$16,666 Exceeded approved salary by \$4,397
John Gaines - Leg. Representative	Salary - \$8,317		Exceeded approved salary by \$2,202

Note: ACRE Division 9 officers exceeded the Lodge approved salary structure by a combined total of \$75,352. Mike Doyle received the majority of his compensation from the MTA – no lost earnings yet managed to exceed the Lodge approved salary by **\$18,275**.

Ron DeAndrus marked off “Company Business” an average of 2 or 3 times a week – no lost earnings” yet exceeded his Lodge approved salary by **\$16,611**.

The members of Division 9, burdened with an immense overpayment of officers salaries, were the recipients of an \$8 per month dues increase in late 2004. This increase was necessary to ensure that Division 9 officers would continue to be overpaid in the manner that they have become accustomed.

Union Business reimbursement to MTA: Beginning in 2004, after the contract ratification, ACRE officers are compensated by Metro North for lost earnings due to “union business” mark offs. This agreement was signed by ACRE without notifying the members. ACRE is required to reimburse the MTA for all costs associated with this practice (taxes).

In 2004, Jack Gaines and Dick Gunderman probably averaged at least 1 union business mark off per week. Other Division 9 officers marked off union business, but not with the same frequency. Generally, the only accepted method for a union officer to exceed the Lodge approved salary is to incur lost earnings. ACRE officers are not currently involved in a lost earnings situation.

Division 9 does not indicate **any** reimbursement to the MTA for union business expenditures in its LM '2. Division 1 and the Executive Board's LM '2's do reflect at least a portion of the reimbursement to the MTA for "union business" mark offs by officers.

Note: The ACRE Executive Board LM '2 for 2004 indicates a repayment of a \$9,000 loan from Division 9 for the security deposit in the ACRE office. Division 9's LM '2 reflects an entry of a repayment of \$6,000, with a balance of \$3,000 from the loan due to Division 9. Where is the \$3,000 difference?

Note: The ACRE Executive Board LM '2 indicates accounts receivable of \$39,520. \$20,960 of this amount is owed by Division 1 to the Executive Board. Before receiving Division 9's LM '2, the possibility existed that the remaining \$18,560 was due to the Executive Board from Division 9. This is not indicated in Division 9's LM '2. So, what entity or organization could owe the Executive Board over \$18,000? Is it possible that Division 9 does owe the balance of the Executive Board's accounts receivable?

Note: Division 9 has added two entries to the 2004 LM '2 that were not included in the 2003 LM '2. From cash receipts, item #53 "From members for disbursement on their behalf", \$5,550. From cash disbursements, item #72, "On behalf of individual members", \$5,550. These two entries cancel each other out. This \$5,550 figure was carried over from the end of the Executive Board's 2003 reporting year in the 2003 LM '2 under accounts receivable. No entry is listed for an amount of \$5,550 in the Division 9 LM '2 for 2003 under any category. An entry under accounts receivable appears in the Executive Board's 2004 LM '2 for the start of reporting period 2004 in the amount of \$5,550. As previously stated, the same sum appears in Division 9's 2004 LM '2 under the entries listed before in this note. Does anyone have an idea concerning the amount of \$5,550 that has floated between the Executive Board and Division 9? What is the nature and purpose of these funds?

Note: ACRE Local Division 9 reported it has no PAC fund on its LM "2" filed by the organization.

Note: All entries for expenditures and income have been taken from the Labor Management reports, LM '2's, filed by ACRE with the U.S. Department of Labor. This report filed by Division 9 was supposed to be filed by 3/31/05. It was received by the D.O.L. on 7/21/05.