

UTU News

The Official Publication of the United Transportation Union

Welcome to the "Voice of Transportation Labor"

"Our hope is that these meetings, under Tom Donahue's guidance, will result in one rail union for all operating employees working in the historical crafts—a unified UTU and BLE marching forward together."

— UTU International President Charles L. Little

News & Notes

Three killed in crash

SMALL, TEXAS—Two off-duty Union Pacific (UP) train crew members, including a UTU member, and a van driver were fatally injured near Small, Tex., when the vehicle they were in was struck by a westbound train at a grade crossing.

According to reports, the accident, which occurred about 100 miles east of El Paso, Tex., on the evening of Tue., May 12, 1998, took the lives of conductor and UTU member Antonio E. Carbajal, 26, of Local 1571, El Paso, Tex., engineer D.L. Butler, 51, of Columbus, N.M., and van driver Reuben Dijois.

The crew members, who were being relieved of duty under the Hours of Service law, were deadheading to El Paso when the van was struck at a grade crossing by a pair of light engines in local service near UP milepost 751.33.

Marked by crossbucks and a stop sign, the grade crossing was about a quarter mile ahead of the standing train the crew members had been operating.

UTU Credit Card Program

More than 7,000 members have signed up for a UTU Huntington Bank VISA Card, which has enhanced the union's ability to train and educate its officers and members. The UTU Board of Directors has authorized Huntington Bank to contact UTU members regarding the program. The UTU is cooperating with the bank to try to make sure members will not be called when they are resting. For more information call (800) 611-8583.

On the Inside

Around the UTU.....	2
State Watch.....	3
Editorials.....	4
Feedback.....	5
Railroad Retirement Review.....	6
UTUIA Scholarship Winners.....	8
Voices	9
Senior News	10
Bulletin Board	11

Read the UTU Daily News Digest on the UTU web page at <www.utu.org>

Little criticizes Union Pacific for blaming woes on rail workers

CLEVELAND – UTU International President Charles L. Little strongly criticized the Union Pacific (UP) Railroad for blaming railroad workers for its service problems.

In a recent filing with the Surface Transportation Board (STB), the Union Pacific said that service problems at intermodal facilities in Southern California were caused by persistent crew shortages delaying train departures.

UP said that train crew members were "laying off"—choosing not to make themselves available to work—at rates sometimes exceeding 40%.

"That's outrageous!" Little said about the UP's 40% statement. "The union members working on the Union Pacific have saved it from going belly-up during a crisis the railroad created for itself. To blame workers for problems in Southern California or Nebraska or anywhere else is a miscarriage of justice. The UP owes every union member an apology."

Little said that the UTU has received more

than 550 phone calls on its UP Hotline reporting a wide variety of problems on the troubled carrier. Little said many of these calls are from members who are being worked to exhaustion and being denied permission to mark off for rest when their fatigue causes serious safety concerns.

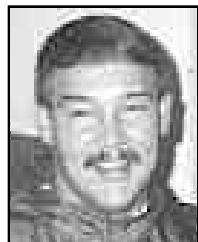
He said that the 40% number is a gross exaggeration, and added that union workers on the UP have worked "beyond the call of duty to save that railroad."

Although the UP has declared a victory in its battle to overcome the worst railroad traffic jam in history, the carrier's most recent filings with the STB reveal that its central corridor is a big problem area and will experience delays this summer. "While things may have eased up some in the Houston area," said Little, "the UP's mainline across Wyoming and Nebraska is under great stress. The crisis is not yet over no matter what UP management likes to say."

UTU member saves toddler

LAFAYETTE, IND.—A UTU member working as a conductor on a Norfolk Southern freight train saved the life of a toddler last month who was lying on the tracks.

Robert Mohr, a member of Local 206 in Peru, Ind., spotted 19-month-old Emily Marshall lying on the tracks so he dashed to the front of the locomotive and kicked her out of the way. Emily was bumped by part of the locomotive and was hospitalized for a day with just a cut on her head and some broken teeth.



Robert Mohr

Mohr spotted Emily when the 96-car train, which was travelling at 24 mph, was still about a city block away. The girl had wandered away from home while her mother planted flowers in the yard.

The train's engineer, Rod Lindley, thought Emily was a dog on the tracks until she raised her head at the sound of the train's whistle.

"That's a baby!" Mohr said, and the engineer hit the brakes. Mohr then dashed out the door

Continued on page 11

UTU, BLE leaders meet

CLEVELAND – Under the direction of former AFL-CIO President Tom Donahue, formal talks between the top International leadership of the United Transportation Union (UTU) and Brotherhood of Locomotive Engineers (BLE) were taking place as this issue of the UTU News went to press.

(See President Little's Column on Page 4)

The week-long meeting began May 18 in Montana. International President Charles L. Little and Assistant President Byron A. Boyd, Jr., are representing the UTU. International President Clarence V. Monin and Secretary/Treasurer Ed Dubrowski are representing the BLE.

This meeting is the first major session devoted to exploring a possible merger or affiliation between the UTU and BLE. Both unions have agreed to a news blackout of the substance of the discussions at this time.

For news of further developments, go to the UTU website at www.utu.org.

Updates will be included on the UTU Daily News Digest, a compendium of the day's events which affect UTU members' lives.

Around the UTU

News from around the U.S. and Canada

Local 4, Charny, Quebec

Local Legislative Representative and Secretary Louis-Francois Garceau recently completed Secretary and Treasurer Automated Bookkeeping System (STABS) training with UTU Canadian Auditor Bill Dance and is, in turn, instructing treasurers from French Canadian locals through October 1998. Also, a three-day course on Health and Security was recently presented to members of the local, along with members of Locals 414, 634, 1139 and 1872 .

Local 78, Pocatello, Idaho

Special recognition was accorded State Sen. Lin Whitworth, Democrat from District 33, Inkom, Idaho, at the local's regular meeting last month, according to George J. Millward . A retired UP conductor and 44-year UTU member, Whitworth is often alone in backing issues important to the state's UTU members, has raised more than \$40,000 for charity at picnics held at his ranch, and each year sponsors Thanksgiving dinners for the homeless.

Local 105, Las Vegas, Nev.

Members working for Gray Line of Southern Nevada are being merged with K-T Services of Las Vegas, both of which had been acquired by Coach USA and combined in early May 1998. Another union represents the employees of K-T Services, and an election will have to be held to determine bargaining representative. General Chairperson Tony Magee and his committee, along with Local President James MacKenzie and other local officers, are committed to retaining the UTU as their representative. The International is also committed to supporting UTU's Gray Line members, noted Vice President-Bus Bernie McNelis , and looks forward to representing the employees.

Local 168, Chicago, Ill.

Retiree Liaison Morris Vanderhack has resumed service as a volunteer at Chicago's Westside Veterans' Administration hospital after a long layoff due to illness. Before he fell ill in 1995, Vanderhack had logged nearly 500 hours as a volunteer, according to Secretary and Treasurer L.T. Channing. Veterans should note there is no truth to the rumor that they must register at a local veterans' medical center by Oct. 1, 1998, or lose benefits forever, Channing said, but are encouraged to enroll at such a center to help the agency secure sufficient Federal funding if they haven't been treated at a VA facility since Oct. 1, 1996. The issue is addressed online at <http://www.va.gov>.

Local 194, Elkhart, Ind.

The local recently held a well-attended informational conference with Local 227, Huntington, Ind., and Local 1620, also of Elkhart, Ind. Hosted by UTU Designated Legal Counsel Harrington, Thompson, Ack - er & Harrington, Ltd. , participants included Indiana State Legislative Director James E. Carrico, Railroad Retirement Board Representative Robert Braitman, Federal Railroad Administration Representative Pat Graham, and the UTUIA's Sam Hale.

Local 324, Seattle, Wash.

Working with UTU Washington State Legislative Director Tom R. Retterath, General Chairperson Dan Bentley and others have successfully defeated a state measure that threatened to adversely affect bus operators' overtime, according to Retterath, who notes that members should remain vigilant against the re-introduction of such legislation.



L-598's Lester D. Busby (left) and Jimmie D. Jones.

Organ donations sustain members

Lester D. "Devon" Busby and Jimmie D. Jones, both of Local 598 in Mobile, Ala., share a bond that goes beyond their union membership or careers as CSX conductors.

The two have been helped through times of crisis by the practice of organ donation and the services provided by the Alabama Organ Center (AOC).

On June 26, 1985, a heart attack put Jones in the hospital for two weeks. Diagnosed with congestive heart failure, he found himself in and out of the hospital for nearly two years, until another heart attack left him teetering on the brink and in need of a heart transplant.

He was placed on the AOC's computerized waiting list, and on March 25, 1987, thanks to an anonymous donor, Jones received the heart transplant that has kept him going strong for the past 11 years.

In return for the gift of life, the now-retired Jones belongs to a transplant support group, helping others waiting for an available organ, and doing what he can to let people know what consent to be a donor can mean. "That's one of the blessings I can share, and I want to let people know what can be done."

Meanwhile, on the morning of April 8, 1992, Busby received a phone call informing him that his teenage son, Todd, had been involved in a serious auto accident. Later that afternoon, his son was declared dead.

Todd had made it known that, should anything ever happen to him, he wanted to be an organ donor. With that knowledge, Busby gave his consent to the AOC to harvest the organs others needed.

"It's such a tragedy, but being able to donate to someone else, to know that something good came out of my son's death, makes it easier," said Busby, who now encourages everyone to "put it on your drivers' license that you're willing to be a donor."

Local 656, N. Little Rock, Ark.

The local's Annual Retirement Picnic is scheduled to be held June 13, 1998, at the Burns Hospitality House in North Little Rock at 7 p.m. All members, past and present, are invited to attend. For information, contact Secretary and Treasurer David Lovelace at (501) 758-0260.

Local 759, Newark, N.J.

Members who operate services for O.N.E. Bus Company recently received a settlement check from the company over a back-pay issue. The company had denied pay to operators for time they were required to report to work and perform services. Chairperson Joe Frierson and his committee worked hard and closely with the UTU International to reach the settlement.

Local 1066, New Orleans, La.

Members, especially switchmen, are being encouraged to attend the regular meetings held at 10:30 a.m. on the first Thursday of the month at the Plumbers and Steamfitters Hall on the West Interstate 10 service road in Metairie, La. to discuss the facts about extra board guarantees and their union membership, according to Secretary and Treasurer Ernest Thibodeaux . Also, members are eyeing the possibility of establishing a regular picnic with help from UTU designated legal counsel.

Local 1745, Albuquerque, N.M.

Members operating bus and van service for the city are attempting to negotiate a new agreement. According to Chairperson Robert Gutierrez and his committee, the city so far has failed to offer members a contract package anywhere near comparable to what other bargaining units received from the city. Gutierrez has filed several prohibited-practice charges against the city, and has been very successful in having decisions rendered in their behalf.

Local 1881, Baltimore, Md.

The local is experiencing problems with dues deductions being taken erroneously by another labor organization, a situation now being corrected, according to Secretary and Treasurer Mickey McBee. The monthly meeting has been temporarily changed to 8 p.m. on the second Monday of the month at VFW Post #2916 in Baltimore. Also, along with Locals 610 and 631, the annual memorial service and picnic gathering will be held July 18, 1998, at Patapsco State Park. Food and beverages are supplied, and all are invited to attend. For information, contact Steve Johnson at (301) 696-9863 or Jerry R. Wagner at (410) 781-7535.

L-1900, Miami, Fla.

Members working for the Florida East Coast Railroad meet regularly at 4 p.m. on the second Saturday of the month at Studio 183 near 27th Avenue and 183rd Street in Miami, according to Secretary Lee A. Perkins, who encourages members to attend.

Iowa

An official proclamation declaring April 19-25 as Fraternal Week in Iowa was presented to officers of the Iowa Fraternal Congress by Iowa Governor Terry E. Branstad. The proclamation, which was obtained through the efforts of State Legislative Director Pat Hendricks, recognized the many educational, charitable and patriotic activities of the IFC, and called upon all citizens to lend their support and to show their appreciation for the IFC's contributions.

Hendricks is serving in his second year as president of the IFC, an affiliation of numerous fraternal benefit societies, including the United Transportation Union Insurance Association.

Montana

At the urging of the UTU's Montana State Legislative Board, the UTU has officially endorsed Democratic candidate Dusty Deschamps for the U.S. House of Representatives.

State Director Fran Marceau said that Deschamps opposes national right-to-work legislation, attempts to change the Federal Employers' Liability Act and cuts in funding for the FRA and OSHA. Deschamps supports continued Amtrak funding, Railroad Retirement, legislation to address fatigue in the rail industry, and legislation that would make it harder for railroads to sell branch lines without imposed labor-protective conditions.

Marceau added that Deschamps' opponent, incumbent Republican Rick Hill, has a "zero" voting record on labor-related issues.



Guest of honor Howard Ferguson (second from left), is shown with moments presented him by (L to R) UTU Vice President Paul Thompson; Kansas State Legislative Director Don Lindsey Jr., and Kansas State Legislative Board Secretary David Hotzel.

Kansas

Former Assistant State Legislative Director Howard A. Ferguson, who retired in December 1997, was honored last month at a party held in Kansas City. (See photo above.)

"His hard work and dedication will be sorely missed by both the board and the UTU," said Legislative Director Donald R. Lindsey, Jr.

Brother Ferguson was presented with an engraved UTU brass lantern for his years of outstanding service, and also received a congratulatory letter from International President Charles L. Little.

"Fergie" served on the Kansas State Legislative Board for more than 18 years.

Missouri

State Legislative Director Larry Foster reports that Missouri's Senate and House Conference Committee has adopted the Senate version of House Bill 1004 for the appropriation of funds to subsidize Amtrak service running between the cities of St. Louis and Kansas City.

The rail passenger service was threatened when the House Appropriations Committee voted earlier this year to eliminate the governor's budget request of \$4.95 million for Amtrak service.

Pennsylvania

State lawmakers have budgeted approximately \$23 million to pay for the operation of seven Amtrak trains on the Keystone Corridor, which runs between the cities of Harrisburg and Philadelphia, reports State Legislative Director Donald Dunlevy.

New Jersey

At its Committee on Political Education (COPE) conference held in Atlantic City, N.J., May 7-8, the New Jersey AFL-CIO honored the UTU's New Jersey State Legislative Board for its recent decision to re-affiliate with the state labor organization.

Representing the UTU was State Legislative Director Dan O'Connell, who was given the opportunity to address the assembled delegates of the state AFL-CIO.

O'Connell said that the New Jersey Legislative Board voted to re-affiliate with the state AFL-CIO last December.

Bus Column



"I think about how hard it is to convince employees in this country to stand up together, to be organized, to fight as one for a better workplace, wages and so on."

-Bernie J. McNelis, vice president, director, Bus Department

Setting priorities

When I was deciding what I should write about for this month's article, I was thinking of the van drivers who shuttle our railroad crews around and how much they earn.

In general, most of the drivers make between \$5.25 to \$6.25 per hour, or in mileage terms about 11 cents to 13 cents per mile.

I then think about how far labor must go in restoring decent wages for many Americans. I see the news from abroad and from Mexico where students and employees are demonstrating for better wages, a better economy, decent housing and the right to be unionized.

I see Bosnians and Serbians hurting for housing, jobs and peace, and I see similar situations in many other countries, including Africa, as well.

I see the students, employees and/or unions in many of those countries willing to stand up and challenge their government to do something to resolve those issues.

I think about how hard it is to convince employees in this country to stand up together, to be organized, to fight as one for a better workplace, wages and so on.

I then see on the news how some of our American students are rioting on campus because the universities or colleges are clamping down on alcohol use.

When I see our young people rioting over alcohol use, I really see how far this country, not just labor, has to go and how our young people better get their priorities straight.

Yardmasters



"Our yardmaster general committees and officers are to be commended for the many hours of work and cooperation that have culminated in improved benefits for the membership."

-Don Carver, assistant to the president, yardmasters

Making progress

We are bringing closure to many of the outstanding Section 6 Notices and New York Dock Section 4 Notices served by various carriers on the yardmaster general committees. Our yardmaster general committees and officers are to be commended for the many hours of work and cooperation that have culminated in improved benefits for the membership.

Illinois Central General Chairperson D.J. Just has notified the International that ratification has been completed on that carrier.

General Chairperson W.J. Cobean, BNSF, and General Chairperson R.R. Repstine, BNSF (C&S), have again proved "strength in unity" to be more than a simple buzz line. Through their cooperative efforts a Section 4 Implementing Agreement has been initialed which coordinated the BNSF Denver Terminal under a single working agreement. Rates of pay were increased for the C&S yardmasters while protecting their entitlements under the Crew Consist Agreement.

General Chairpersons J.R. Cumby (Conrail), R.J. Cooper (NS-N&W) and W.J. Headrick, Jr. (NS) hammered out in marathon sessions a Section 4 Implementing Agreement, in principle, with the Norfolk Southern covering those portions of Conrail that will be purchased or jointly controlled by the NS. The agreement should be out for ratification by press time.

CSXT yardmasters are continuing to negotiate on a Section 4 Implementing Agreement to cover those portions of Conrail going to CSXT.

Mediation sessions are scheduled this month for the Grand Trunk Western yardmaster agreement.

Charles L. Little, International President
Byron A. Boyd, Jr., Assistant President
Roger D. Griffeth, General Sec./Tres.
James Brunkenhoefer, Nat. Legislative Dir.

A Union of Heroes

Emily Marshall wouldn't be here today if not for the bravery of Robert Mohr.

Who knows how many might have been killed or seriously injured aboard an Amtrak train near Pittsburgh last April if not for the quick thinking of Bruce Logan, Robert O'Donnell, John Sano, Anthony Butka, and others.

In this issue of the *UTU News* (pages 1 and 8) we tell the stories of these brave UTU members. More importantly, however, is acknowledging their acts of selfless heroism and professionalism that saved lives and kept families whole.

What would the world be like if 19-month-old Emily had been crushed on the tracks? How many families would have been devastated if the Amtrak train had smashed into those derailed Conrail cars? And what about all of the others who have been saved needless tragedy over the years by the brave actions of UTU members?

We have always said this union is made up of heroes. We have always known that the members of this union display great courage every day they go to work. It doesn't take acts of supreme bravery to prove that.

But can you imagine what the world would be like today for so many people if not for the heroes of the UTU? We cannot.

See you at a Regional Meeting

Two years ago we set out to recreate our Regional Meetings. We wanted to make them more informative. We wanted to provide special training that would make our members' lives better. We wanted to encourage families to take part. And we wanted to begin making history, not just becoming another victim of history.

Based on the record attendance last year and your positive feedback, we think we're onto something. That's why we take this moment to urge each of you (and your families) to attend a Regional Meeting this summer. Be a part of your union and join us for a very special time in Toronto or Houston or Reno. See you this summer.



WASHINGTON WATCH



"Why don't they ask you to help them plan now instead of asking for your help after things are totally screwed up?"

-UTU National Legislative Director James Brunkenhoefer

World's greatest experts ready to help

Congress started out this session like a basketball team that is three points ahead in the last seconds of the fourth quarter trying to run out the clock rather than attempt to make a score to assure the victory. Rather than to commit themselves to trying to put their political ball in the net, they choose to pass it around hoping the other team will foul. They are convinced that, if they do nothing but wait, they will get re-elected. That's sadly true. Statistics indicate that about 90% of the incumbents will get re-elected.

Say what you want about politicians but most, I repeat, most of them ran because they wanted to improve the lives of those that they represent. The majority of them have chosen not to.

On to another subject. Over the last month or two, we have been writing an "open letter" to the chief executives of our nation's railroads. Well, it looks like they haven't been opening their mail soon enough. The Surface Transportation Board (STB) has notified them to clean up their act. The STB has informed the railroads that they must stop trying to exist on their hollow promises and start delivering improved services. The STB means now. UTU members are not alone when we tell them that we have heard their promises and that we don't believe them any more.

On the merger scene, it looks like our brothers and sisters on Conrail will become employees of Norfolk Southern or CSX. Both of those railroads say, "trust us, this merger will be OK." Where have we heard that before? Was it the Burlington

Keeping our promise

As this issue of the *UTU News* is being printed, Byron Boyd and I are in the midst of the most important meetings since the UTU's creation almost 30 years ago.

We are in Montana meeting with BLE President Clarence V. Monin and Secretary/Treasurer Ed Dubrowski. As we agreed to do at the urging of AFL-CIO President John Sweeney, we are meeting under the guidance of former federation President Tom Donahue.



Charles L. Little

The purpose of these meetings, as you all know, is to talk about real unity between the UTU and BLE. We are here to talk about a merger.

Only the timing of this newspaper's deadline keeps me from reporting the results of the meeting. In fact, the news of these meetings may become public before this column and this month's *UTU News* reaches your mailbox.

But I can tell you what we hoped to gain to help all operating union workers in the future.

Our hope is that these meetings, under Tom Donahue's guidance, will result in one rail union for all operating employees working in the historical crafts—a unified UTU and BLE marching forward together.

Our hope is that these meetings will bond all of the historical operating crafts—locomotive engineers, conductors, hostlers, firemen, brakemen, switchmen—into a single forceful union that can effectively challenge the mega-carriers, preserve

historical craft autonomy and protect your jobs.

Our hope is that these meetings will make it possible for a united rail operating union to force the change we need in the rail industry to guarantee your jobs and well-being into the 21st Century.

Our hope is that these meetings will make it possible to see what UTU and BLE members have in common to gain rather than to focus on those things that have needlessly kept us apart.

And, finally, our hope is that you, the rank-and-file members of the UTU and BLE, who have so much more to gain by unifying in one great organization, will be the real winners.

As I said when we began the Operating Unity Initiative, our goal is to see one powerful operating rail union be born that can effectively represent all historical crafts and preserve jobs and seniority.

We are in the middle of the job now. It is our hope that we can come to this resolution within the House of Labor and not have to resume action at the National Mediation Board.

Sitting here in Montana, I can honestly tell you that we are giving it our best shot. In our mind, there can only be one result: a single operating union.

But if things don't work out here, we are committed to seeing our Operating Unity Initiative through to the end, including reactivating our petition at the NMB.

That was our promise to you when we started this initiative. That remains our promise.

Northern/Santa Fe merger? The Union Pacific/Chicago Northwestern merger? The Union Pacific/Southern Pacific merger? You tell me. No one has ever tried to merge with half a railroad before. This merger has the makings of being a real ugly mess. Each railroad has hundreds of teams in place to make the transition smooth. What they have not done is what they never do because they are too arrogant. They haven't asked the world's greatest experts on the subject. They haven't asked you. Why don't they ask you to help them plan now instead of asking for your help after things are totally screwed up?

We know what the railroads will say once they find themselves at rock bottom. They will say that in order to survive the competition created by their own mismanagement, they will need to make some cuts. Seniority rosters will have to be reduced. Maintenance will have to be curtailed. They will want give-backs because they are not making money because they didn't have the track, the engines and the crews needed to deliver the quality of service needed to save themselves.

Mr. CEO, we told you earlier what the problems facing you were. You didn't listen, so we are providing you with yet another warning. The president of the shippers' association has given you a year to shape up or they are going to Congress to ask them to change the "structure of your industry." If you listen this time, we can both win. But if you maintain your arrogance and ignore us again, you may find yourselves cleaning out your desk.

Feedback

"You are only a valuable employee as long as you don't get hurt..."

The following letter was written by Karen L. McGee, wife of Gilbert McGee of Local 1928, Toledo, Ohio, who was killed Dec. 12, 1995 when he was crushed between a rail car and grain elevator.

Gentlemen:

Over the past 35 years, I have always looked forward to union news. It has always been a way for me to keep up with my husband's working life. When my husband was killed in a railroad accident, I requested that the *UTU News* continue to be sent to our home. After two and a half years, I still look forward to reading about the railroad.

Every employee on the railroad should read your April 1998 issue of the *UTU News*. If anyone doesn't believe a work-related accident harms all involved, think again. The devastation and trauma of a fatal accident, if not handled properly, can never be repaired.

I have an extensive collection of books, safety manuals, awards and video tapes on safety, which my husband and I watched together. Safety was the word of the day. Nothing else mattered but the safety record. My husband was a safe employee. He worked over 30 years without a lost-time injury or a claim against the railroad.

The Critical Incident Response Team (CIRT) article in your April issue was very heartwarming to me. I urge all union members to work hard to continue the program's existence, especially with the upcoming merger.

In the same issue, the article by UTU National Legislative Director

James Brunkenhoefer reminded me of my husband, and most of his fellow employees on the Norfolk Southern Railroad. Railroad management has always had a reputation of adversarial attitudes toward their employees. This did not change after the accidental death of my husband.

It was suggested that because there were no witnesses to his death, he must have done something wrong...or stupid...or careless...etc. Management's first idea was that maybe he had been drinking (he was not), or maybe he committed suicide. Anything to make this man look like an incompetent idiot rather than having compassion for his crew and his other fellow workers.

Last but not least, the FELA Update article should be mailed to every spouse of every railroad worker. By the time I arrived at the hospital when my husband died, there were more railroad officials there than family and I was the last one there. Personal belongings as well as company property disappeared. No one gave me anything telling me of my husband's rights.

This whole April issue should be bound and used as a manual for wives. I would hope that it would help someone else if they should ever be put into the situation I was faced with.

Just remember, you are only a valuable employee as long as you don't get hurt or worse.

Keep up the good work with your articles. Thank you.

Karen L. McGee

Transportation Report

UTU members reach agreement on CP/Soo Line

Negotiations that began in May 1995 have resulted in a contract proposal for CP/Soo Line trainmen, conductors and switchmen represented by the UTU. Ballots were sent out for a membership ratification vote in mid-May, according to Dennis Baker, UTU general chairperson representing the railroad's Milwaukee District.

Approximately 900 UTU members will participate in voting, and results should be available by early June, he said.

The pact closely mirrors the arbitrated national agreement that applies to operating employees on most major U.S. railroads, with a few minor modifications, and includes retroactive pay provisions going back to Dec. 1, 1995. If approved, the contract would be effective through Dec. 31, 1999.

"The CP/Soo Line wanted a lot of work-rule changes above and beyond what's contained in the national agreement, but they didn't get them," said Baker, who expects the membership to approve the proposed pact.

Baker gave credit to UTU International Vice Presidents Bruce Wigent and Robert Earley, as well as Soo District General Chairperson Jim Beyer, for their tenacity and perseverance in securing the tentative agreement. "I think it's a good agreement," said Baker, "and it offers us the hope that we won't have to go out on strike again."

CP/Soo Line workers struck the carrier for 47 days in 1994 to force the resolution of issues that had been pending since 1988. Ultimately, a pact was overwhelmingly approved by the end of 1994.

Judge restricts strikes over Conrail conditions

A federal judge has restricted the ability of railroad unions to strike if they don't like the terms of the Conrail acquisition by Norfolk Southern and CSX.

The railroads asked U.S. District Judge James Turk to declare that the Surface Transportation Board has jurisdiction over the transaction terms, including changes in labor agreements, and to bar unions from striking to thwart the merger.

In his ruling, Turk said the unions were enjoined for 12 months from striking in an attempt to block the Conrail takeover or to force changes in the deal.

The unions involved are the Brotherhood of Railroad Signalmen, American Train Dispatchers, Brotherhood of Locomotive Engineers, International Brotherhood of Electrical Workers, National Conference on Firemen and Oilers, and Sheet Metal Workers International.

The UTU and the BLE have already lifted their opposition to the proposed Conrail takeover.



Neb. Gov. Nelson tours UTU coach

UTU International President Charles L. Little talks with Nebraska Governor Ben Nelson outside Membership I, the UTU's mobile education and conference center. Both Little and Nelson were present at a dinner and seminar co-sponsored by UTU Locals 7, 200 and 286, and several UTU designated legal counsel. Nebraska State Legislative Director Ray Lineweber and State Senator Don Peterson were also in attendance.

Amtrak projects large loss

Amtrak is projecting a loss of \$98.5 million for its 1998 fiscal year ending Sept. 31, according to the General Accounting Office (GAO).

The latest figure compares with last year's loss of \$70 million and is up sharply from a loss of \$12 million in 1995.

Amtrak has decided to scale back its ambitious plan to carry cargo on its passenger trains as a way to generate additional revenue. Amtrak hinged its survival on the freight-hauling plan. But the carrier has cut its projected profits from the venture by more than 50% because of start-up problems and opposition from major railroads.

The latest financial troubles could increase pressure on Amtrak to cut back its route system or raise fares. All of the remaining routes are losing money with the exception of the East Coast Metroliner. The GAO said, "Amtrak is in a very precarious financial position."

STB sets Conrail schedule

The Surface Transportation Board (STB) has set hearings for June 3-4 on the \$10 billion breakup of Conrail. At least 65 parties, including the UTU, will appear at the oral arguments, which were expanded beyond the one-day review of CSX and Norfolk Southern's application to create two rail systems.

The hearings will be followed by a June 8 voting conference at which the STB will decide whether to allow the transaction to proceed and what conditions it will impose. A final written decision is due by July 23. If the transaction is approved as expected, CSX and NS would take over their portions of Conrail on August 22.



How does Railroad Retirement compare to Social Security?

In the U.S., employers and employees covered by the Railroad Retirement Act pay higher retirement taxes than those covered by the Social Security Act, and Railroad Retirement benefits remain substantially higher than Social Security benefits.

That may be the case today, but as lawmakers examine ways to reform the Social Security system, there may be changes in store affecting all UTU members, regardless of their occupations.

Recently, the House of Representatives overwhelmingly approved creation of a bipartisan commission to propose long-term reforms to keep Social Security solvent well into the next century.

Meanwhile, President Clinton continues to lead a national dialogue on the subject, hosting a series of regional, nonpartisan forums to air the public's concerns.

Events affecting Social Security generally affect the Tier I portion of Railroad Retirement, and battles waged in the near future may affect the pensions, and other benefits, enjoyed by active and retired UTU members alike.

What benefits do the two systems deliver today, at what cost, and how do they compare?

The following questions and answers compare Railroad Retirement and Social Security benefits payable at the close of the fiscal year ending Sept. 30, 1997, highlighting the differences in age requirements and payroll taxes under the two systems.

How much are the average monthly Railroad Retirement and Social Security benefits paid to retired employees and spouses?

The average age annuity being paid by Railroad Retirement at the end of fiscal year 1997 to career rail employees was \$1,620 a month, and for all retired rail employees the average was \$1,225. The average age retirement benefit being paid under Social Security was about \$750 a month. Spouse benefits averaged \$485 a month under Railroad Retirement compared to \$370 under Social Security.

The Railroad Retirement Act also provides supplemental annuities of between \$23 and \$43 a month, which are payable to employees who retire directly from the industry with 25 or more years of service.

How much are the disability benefits currently awarded?

Disabled railroad workers retiring directly from the railroad industry at the end of fiscal year 1997 were awarded about \$1,720 a month on the average, while awards for disabled workers under Social Security averaged about \$720.

While both Railroad Retirement and Social Security provide benefits to workers who are totally disabled for any regular work, the Railroad Retirement Act also

provides disability benefits to career employees disabled for work in their regular railroad occupation. Career employees may be eligible for such an occupational disability annuity at age 60 with 10 years of service, or at any age with 20 years of service.

What are the maximum amounts payable to recent retirees?

In 1998, the maximum total monthly benefit initially payable to an employee and spouse under the Railroad Retirement Act is \$3,880. Under the Social Security Act the maximum monthly amount payable to an employee retiring in 1998 at age 65, and his or her spouse, is \$2,013.

Can railroaders retire at earlier ages than workers under Social Security?

Railroad employees with 30 or more years of service are eligible for regular annuities based on age and service at age 60. Certain early retirement reductions are applied to such annuities awarded before age 62, but only to the portion of the annuity approximating a Social Security benefit, and no age reductions are applied to the annuities of 30-year employees retiring at age 62. Under Social Security, a worker cannot begin receiving retirement benefits based on age until age 62, regardless of how long he or she worked, and retirement benefits are reduced for retirement before age 65.

Rail employees with 10 to 29 years of creditable service are eligible for regular annuities based on age and service at age 62. Early retirement annuity reductions are applied to such annuities awarded before age 65, just as they are applied under Social Security. As under Social Security, starting in the year 2000, the age at which full benefits are payable will increase in gradual steps until it reaches age 67 in the year 2022.

Reduced benefits will still be payable at age 62, but the maximum reduction for employees will be 30%, rather than 20%, by the year 2022. However, the Railroad Retirement annuity reduction will be less if the employee had any rail service before August 12, 1983. Also, these changes will not affect rail employees who retire at age 62 with 30 years' service.

Does Social Security offer any benefits which are not available under Railroad Retirement?

Social Security does pay certain types of benefits which are not available under Railroad Retirement. For example, Social Security provides children's benefits when an employee is disabled, retired or deceased. Under current law, the Railroad Retirement Act only provides children's benefits if the

employee is deceased.

The Railroad Retirement Act does include a special minimum guaranty provision which ensures that railroad families will not receive less in monthly benefits than they would have if railroad earnings were covered by Social Security rather than Railroad Retirement laws. This guaranty is intended to cover situations in which one or more members of a family would otherwise be eligible for a type of Social Security benefit which is not provided under the Railroad Retirement Act.

How much are monthly benefits for survivors under Railroad Retirement and Social Security?

Survivor benefits are generally higher if payable by the Board rather than Social Security. Those awarded by the Board at the end of fiscal year 1997 to aged and disabled widows and widowers of railroaders averaged about \$900 month, compared to about \$685 under Social Security.

How do Railroad Retirement and Social Security lump-sum death benefit provisions differ?

Both the Railroad Retirement and Social Security systems provide a lump-sum death benefit. The Railroad Retirement lump-sum benefit is generally payable only if survivor annuities are not immediately due upon an employee's death. The Social Security lump-sum benefit may be payable regardless of whether monthly benefits are also due. Both Railroad Retirement and Social Security provide a lump-sum benefit of \$255. However, if a railroad employee completed 10 years of service before 1975, the average Railroad Retirement lump-sum benefit payable is about \$910.

The Social Security lump-sum is generally only payable to the widow or widower living with the employee at the time of death. Under Railroad Retirement, if the employee had 10 years of service before 1975, and was not survived by a living-with widow or widower, the lump-sum may be paid to the funeral home or the payer of the funeral expenses.

The Railroad Retirement system also provides, under certain conditions, a residual lump-sum death benefit which insures that a railroad family receives at least as much in benefits as the employee paid in Railroad Retirement taxes before 1975.

How do Railroad Retirement and Social Security taxes compare?

Railroad Retirement Tier I and Medicare taxes on employees and employers are the same as Social Security taxes, with a rate of 7.65%, consisting of 6.2% on earnings up to \$68,400 in 1998 and 1.45% for Medicare hospital insurance on all earnings. Rail employees pay an additional Tier II tax of 4.90% on earnings up to \$50,700 a year, while their employers pay Tier II taxes of 16.10%. Rail employers also pay a separate work-hour tax to finance the Railroad Retirement supplemental annuity program. The rate is determined quarterly and has been set at 35 cents per work-hour through June 1998.



Law requires beneficiaries to accept direct deposit of Federal payments

The Debt Collection Improvement Act of 1996, enacted with bipartisan congressional support on April 26, 1996, requires the use of electronic funds transfer (EFT) for all federal payments (except for tax refunds) starting January 2, 1999. This includes Railroad Retirement, Social Security, veterans' and other benefit payments.

The following questions and answers provide information about EFTs.

How is EFT advantageous to beneficiaries and the government?

EFT is advantageous to beneficiaries because those enrolled do not have to be concerned about a benefit check being lost or stolen, do not become inconvenienced by mail delays, do not have to go to the bank or mail a check to deposit it, or worry about a check sitting in the mailbox when they're away from home. EFT payments begin to earn interest at once if the payments are deposited in an interest-bearing account, and benefit payments are available in a beneficiary's account the morning of the payment date.

The program is also to the advantage of the government and the public because current costs for issuing a check payment are 43 cents as compared to 2 cents for issuing a direct deposit payment. For example, if all payments issued by the Railroad Retirement Board were now issued through EFT, the board could save \$1.5 million each year.

EFT will save the federal government as a whole as much as \$100 million a year in processing costs alone. This savings is in addition to the \$65 million lost each year by individuals, businesses and the government as a result of forgery, theft and counterfeiting of government checks.

How will the law affect persons still getting paper checks who also have bank accounts?

All federal payment recipients with an account at a financial institution (bank, credit union, or savings and loan) must designate that account to receive their payments by EFT.

What will happen to beneficiaries without bank accounts?

Federal recipients without an account at a financial institution may choose to open an account at a financial institution on their own, or to be provided with an account in their name that allows them to access their funds at a reasonable cost and that has the same consumer protections as other accounts at the same financial institution.

These recipients would be able to continue receiving paper checks until these accounts, being designed by the Department of the Treasury, are available or until Jan. 2, 2000, whichever is earlier. These newly created "Electronic Transfer Accounts" would permit ATM and point-of-sale access.

Are any waivers for individuals included in the regulations?

Hardship waivers for individuals would be granted in the following cases:

Individuals who began receiving federal payments before July 26, 1996, and who have an account with a financial institution, would not be required to receive their payments by EFT if they certify that payment by EFT will impose a hardship due to a physical disability or geographic barrier.

Individuals who certify that they do not have an account with a financial institu-

tion and that payment by EFT would impose a hardship due to a physical disability or geographical barrier, or would impose a financial hardship, would not be required to receive their payments by EFT.

In addition, agencies will not be required to make international payments by EFT when the financial or communications infrastructure to support EFT does not exist in the country where the payment needs to be made.

What entities will be allowed to act as authorized payment agents for federal payment recipients?

Regulations define an authorized payment agent as any person or entity that is appointed as a representative payee or fiduciary, under regulations of the Railroad Retirement Board, the Social Security Administration, the Department of Veterans Affairs or other agencies, to act on behalf of a beneficiary of a federal benefit payment. Common examples include relatives of the recipient or a nursing home designated to manage the recipient's finances.

Can EFT payments be made to an account in the name of an individual other than the recipient?

The law requires all payments to be made to an account in the name of the federal payment recipient with two exceptions. The first exception addresses cases in which a representative payee or fiduciary has been designated by an agency to manage the beneficiary's finances and receive payments on his or her behalf.

The second exception involves situations in which beneficiaries choose to have their payments deposited in an account in the name of a broker or dealer registered under the Securities Act of 1934.

Members praised for quick thinking

UTU members are being credited for their quick thinking and decisive action recently which averted tragedy.

In April 1998, as an Amtrak train was approaching Conrail's busy Conway Yard near Pittsburgh, Pa., at more than 45 mph in April, three cars on an adjacent yard track derailed into its path. Utility Conductor Bruce Logan (L-1418, Conway, Pa.) quickly got on all channels of his radio to inform everyone of the accident and to request that the Amtrak train be stopped.

According to Conrail Vice General Chairperson Jack Arnold, "The assistant engineer on Amtrak who was running the engines at the time saw the derailment as it was happening and applied the brakes. This action alone kept more coach cars from being derailed, but more importantly kept them from turning on their sides which, no doubt, would have been disastrous."

Twenty one passengers aboard the Amtrak train were injured in the crash, none seriously.

The Amtrak train had slowed to about 30 mph at the time of impact.

"It was the direct result of the members actions that prevented a catastrophe," Arnold said.

"As union members and officers we all know that more times than not, it is the employees that get the blame. It's few and far between times that they get recognition when they do something proper," Arnold said.

Arnold singled out for praise Amtrak Conductor Robert O'Donnell, "who remained calm and assisted passengers to safety" despite being injured in the crash.

The UTU officer also praised the actions of Conrail conductor John Sano (L-1418); utility brakeman Anthony Bukta (L-1418); student brakeman Lou Jeannette; student engineer Gerward Corusso; engineer Gene Edge, and Amtrak assistant engineer Mark Nicholson for their quick thinking and help during the ordeal.



SEPTA honors bus operators

Honored recently by officials from the Philadelphia-area Southeastern Pennsylvania Transportation Authority (SEPTA) for their efforts in assisting physically challenged passengers were operators Wiley Burt (left) and Levi Baxter (right), shown with Vice Chairperson Tom Bisignani (center), all of UTU Local 1594, Upper Darby, Pa. Also honored from UTU Local 1594 were James E. McGarrity and Harold Jones. The four honorees were presented with award plaques at a special ceremony held recently.

Winners chosen for UTUIA scholarships



From left, James Douglas of Ernst & Young LLP hands a winning UTUIA scholarship application to General Secretary and Treasurer Roger Griffith while auditors Dave Maraldo and Gary Hengelsberg look on.

The names of the recipients of 50 UTUIA scholarships were recently drawn at UTUIA headquarters. Each student will receive a \$500 annual scholarship. This year more than 1,900 students applied for a UTUIA scholarship, which are awarded on the basis of chance, not grades. Printed below are the winners' names:

District 1 - Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, Vermont

John H. Petersen, grandson of John R. Uleskey of Local 1393, E. Buffalo, N.Y.; Edward N. Slon, grandson of Edward F. Slon of Local 1908, Buffalo, N.Y.; Alison B. Petretti, daughter of John A. Petretti of Local 29, Babylon, N.Y.; Jonathan Levirne, son of Richard V. Levirne of Local 77, New York, N.Y.; Jennifer M. Hairston, daughter of Robert J. Hairston of Local 722, Babylon, N.Y.

District 2 - Delaware, District of Columbia, Maryland, New Jersey, Pennsylvania

Mindy M. Nagy, daughter of Stephen J. Nagy of Local 60, Newark, N.J.; Sarah Arroyo, daughter of William Arroyo of Local 1413, Jersey City, N.J.; Marya C. Kosenkov, daughter of Valentino Kosenkov of Local 60, Newark, N.J.; Alan W. Carroll, son of Rudy H. Carroll of Local 610, Baltimore, Md.; Heather A. Oziemblo, daughter of Anthony J. Oziemblo of Local 1413, Jersey City, N.J.; Gary A. Lynch, Jr., son of Gary A. Lynch of Local 1390, Trenton, N.J.

District 3 - Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia

Kristina L. Clark, daughter of James K. Clark of Local 118, Hinton, W. Va.; Joshua H. Chisenhall, son of James R. Chisenhall of Local 1601, Appalachia, Va.; John D. Allison, grandson of St. Claire A. Sharpe of Local 793, Columbia, S.C.; Meredith B. Thompson, daughter of Walter K. Thompson of Local 974, Nashville, Tenn.; Jason A. Thompson, son of Jack W. Thompson of Local 931, Greenville, S.C.; Jennifer L. Ashby, daughter of Donald Ashby of Local 1221, Tampa, Fla.; Michael J. Emert,

son of Paul E. Emert of Local 750, Knoxville, Tenn.; Wendy D. Garrard, daughter of John F. Garrard of Local 30, Jacksonville, Fla.

District 4 - Indiana, Michigan, Ohio

Angela M. Debus, daughter of Donald C. Debus of Local 1760, Detroit, Mich.; David M. Wrosch, son of William E. Wrosch of Local 1477, Dearborn, Mich.; Sarah M. Wojslaw, daughter of John M. Wojslaw of Local 1748, Cleveland, Ohio; Lindsay A. D'Ortenzio, daughter of Gerald S. D'Ortenzio of Local 1760, Detroit, Mich.; Ryan C. Fleck, son of Frank C. Fleck of Local 792, Cleveland, Ohio; Brook D. Carl, daughter of Terry D. Carl of Local 1962, Toledo, Ohio.

District 5 - Illinois, Wisconsin

Christina T. Miller, daughter of John E. Miller of Local 1433, Elmwood Park, Ill.; Brad L. Metzger, son of R.J. Metzger of Local 1883, Riverdale, Ill.; Brenda J. Landsiedel, daughter of Herbert L. Landsiedel of Local 258, Savannah, Ill.; Timothy D. Stupich, grandson of Lowell M. O'Connor of Local 832, Superior, Wisc.

District 6 - Arkansas, Louisiana, Oklahoma, Texas

Daniel Terrazas, son of Juan R. Terrazas of Local 1571, El Paso, Tex.; Michael D. Poynor, II, son of Michael D. Poynor of Local 1313, Amarillo, Tex.; Dana Godfrey, daughter of Glynn E. Godfrey of Local 857, San Antonio, Tex.; Robin D. Solomon, granddaughter of James A. Solomon of Local 1886, Houston, Tex.; Brandon F. Price, son of Charlie A. Price of Local 1501, Baton Rouge, La.

District 7 - Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota

Adam Scovel, grandson of Delbert D. Scovel of Local 493, Waterloo, Iowa; Brian J. Pauley, son of Herb D. Pauley of Local 643, Ft. Madison, Iowa; Justin E. Minard, son of Donald L. Fenske of Local 1403, Kansas City, Mo.; Nathan E. Klouda, son of Edward M. Klouda of Local 257, Morrill, Neb.; Kori K. King, granddaughter of Neal R. Fidler of Local 626, McCook, Neb.; Ashley K. Buettner, daughter of David P. Buettner of Local 286, N. Platte, Neb.

District 8 - Arizona, California, Colorado, Nevada, New Mexico, Utah

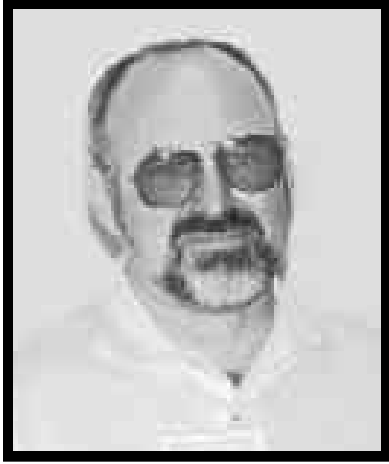
Alan Munoz, son of Gabriel Munoz of Local 1563, El Monte, Cal.; Caressa M. Carter, granddaughter of Mike A. Jasinski of Local 202, Denver, Colo.; Jerry Bolling, Jr., son of Jerry L. Bolling of Local 1241, Richmond, Cal.; Dominica L. Alcocer, daughter of Robert R. Tabares of Local 1565, W. Hollywood, Cal.; Armando B. Rivas, son of Amando V. Rivas of Local 1565, W. Hollywood, Cal.; Michael C. Gurry, stepson of Clarence L. Noe of Local 1563, El Monte, Cal.; Stacie I. Kafouros, daughter of Anthony E. Kafouros of Local 1798, Sacramento, Cal.

District 9 - Alaska, Idaho, Montana, Oregon, Washington, Wyoming

Colette C. LeBaron, daughter of Don W. LeBaron of Local 1348, Centralia, Wash.; Darci J. LaRoque, daughter of Gary J. LaRoque of Local 1637, Wishram, Wash.; Tia M. Monteaux, daughter of Jon A. Monteaux of Local 544, Havre, Mont.

All winners have been notified by mail of their selection. If your name is shown and you have not been contacted by the UTU International, please write or call as soon as possible.

Voices: *Do you feel you'll be financially prepared for retirement?*



Ken Knorr

L-1031, Savannah, Ga.

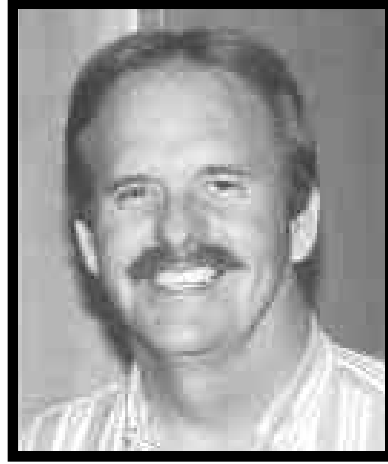
"I'm in a 401(k) plan with the railroad, so that'll help when I retire. I think all rail workers should have the opportunity to participate in a 401(k) plan and should negotiate for it. It's a good addition to Railroad Retirement. I've got some other things, some insurance annuities, that will build in some security. Between those three things, I think I'll be okay. Rail Retirement is in good shape, but I'm not sure I have a lot of faith in our elected officials, who are always nipping at it."



Curtis A. Wall

L-1221, Tampa, Fla.

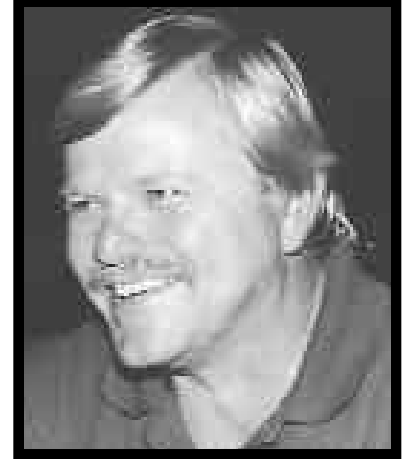
"The answer is yes, not based on Railroad Retirement, but on investments I've made, including a 401(k) and stock options we have with CSX under the crew-consist agreement. I don't trust Railroad Retirement. Anything at any time can happen to that system. Every time the government has anything to do with it, we have to fight them to retain benefits. I think they should leave Railroad Retirement alone. The UTU has been successful defending the system so far, but you never know."



Roy G. Arnold

L-1697, Lubbock, Tex.

"No, not under our current system, and it's one of the main issues we'll be addressing in our next contract. We want to get into a 401(k). The company offers one to office employees and supervisors, but not to the drivers. We have a small retirement plan, but it's shameful to speak about. It's the bare minimum they could get away with under the law. Otherwise, we're covered under Social Security. I think McDonald's has a better retirement plan than we do in our current situation."



Steve Stambaugh

L-1722, York, Pa.

"It all depends on whether we have Railroad Retirement to rely on, but I'm trying to supplement it a little. I'll be retiring in about 15 years, and I just hope Railroad Retirement stays solvent. I have some mutual funds, and I have some investments in a retirement account that I keep up. If Railroad Retirement's there, along with the other things I have going, I'll be alright. Railroad Retirement looks pretty sound, but I don't think that Railroad Retirement alone will handle my needs."

FELA Update: *True or False? Do you know the answer?*

1. I injured my back at work and had surgery; the railroad was at fault and settled my claim with me. If I hurt my back again at work, I cannot bring another claim for my back.

True False

2. The railroad called an investigation after I got hurt. I agreed to take some discipline, rather than go through with the investigation. That disciplinary process cannot be used in any way if I later decide to sue because of my injury.

True False

3. There are a couple of bad switches out in the yard. Everybody knows they are bad, and they have been reported. There is nothing more we should do.

True False

4. I got hurt at an industry. It is a good idea to take the settlement the railroad claims agent offered me and then to hire a lawyer to sue the industry because the accident was the industry's fault.

True False

Each of the above statements is **FALSE**.

1. Once a claim is settled, it usually cannot be reopened. However, if you injure the same area of your body in another accident and the railroad is at fault for that, then you have an entirely new claim.

2. If you accept discipline, then you are admitting that you violated some company rule. That admission can be used to reduce the value of any injury claim you later bring.

3. Any condition which may cause someone to be injured should be reported in writing to the carrier, with copies of the notice sent to the union and to legal counsel. If someone then is hurt because of that condition, you have strong proof that the railroad knew about the condition and failed to correct it.

4. Most of the time when an industry is at fault, the railroad can also be found at fault. If you settle against the railroad and then try to bring a claim against the industry, the industry can effectively argue that the railroad was mostly at fault for your injury and you already settled the case.

Monte Bricker, Coordinator
Designated Legal Counsel
1-800-547-8811

Member killed

UTU member Howard Rose of Local 206, Peru, Ind., was killed in March when two freight trains collided in northwest Indiana. Two other rail workers sustained injuries.

Rose, a 59-year-old conductor, had worked for Norfolk Southern for nearly 35 years.

According to reports, NS and Conrail trains collided at a Conrail-controlled diamond near Ft. Wayne, Ind. The engine of the NS train apparently hit the fifth car of the Conrail train. Derailed in the crash were three Conrail cars, both of the NS train's locomotives and five of 88 RoadRailers.

Speed limit on both tracks is 50 mph, but it was unknown how fast either train was traveling.

T H E F I N A L C A L L

Following are the names of members of the UTU Retiree Program who have died recently, according to reports received at the UTU International Headquarters. These brothers and sisters will be missed by their many friends and by fellow UTU Retiree Program members.

Local Name	City/State	Local Name	City/State	Local Name	City/State
0171 Deems, Curtis W.	Montgomery, IL	0740 Boyle, Joseph A.	Green Vly., AZ	1524 White, Milton A.	Portland, OR
0195 Blixt, Frederick R.	Galesburg, IL	0740 Helbling, Joseph P.	Waukegan, IL	1529 Fizer, Ivan T.	Oak Harbor, OH
0202 Mayo, J.C.	Colorado Spgs., CO	0768 Pickett, Namon S.	New London, MO	1545 Stuart, Jobe H.	McGehee, AR
0256 Foley, William V.	Hudson, NY	0792 Campbell, James	Port Charlotte, FL	1570 Phillips, John A.	San Marcos, CA
0286 McWain, Robert J.	North Platte, NE	0792 Martin, Leonard W.	Cleveland, OH	1571 Grove, Ray W.	Las Cruces, NM
0376 Young, Monte E.	Mammoth Cave, KY	0811 Smith Sr., Kenneth	Sn. Bernardino, CA	1574 Geiger, D.C.	Vancouver, WA
0383 McGinnis, Leslie	Tampa, FL	0830 Balmer, Harry R.	Middletown, PA	1614 Dickey, Craig L.	St. Paul Park, MN
0426 Clarke, D.F.	Chewelah, WA	0830 Battista, Arthur J.	Harrisburg, PA	1663 Banta, Howard E.	Indianapolis, IN
0453 Goodson, Eugene M.	Gays, IL	1043 Warkentin, Roy L.	Menlo Park, CA	1794 Bevell Jr., James W.	Eugene, OR
0496 Archey, Harold G.	Corinth, KY	1358 Williams, Carl	Danville, IL	1840 Hicks, John H.	Glasgow, MT
0565 Norton, Ben W.	Meridian, MS	1369 Reed, Lawrence J.	Canton, OH	1881 Swecker, Cletius H.	Bellevue, FL
0590 Venne, Arthur C.	Tomahawk, WI	1377 Workman, Harry W.	Silver Grove, KY		
0633 Troup, Calvin G.	Hagerstown, MD	1409 Geiger Sr., Walter E.	Lawrence, KS		
0643 Philpott, Max I.	Ft. Madison, IA	1494 Thompson, Clifford J.	Kingman, AZ		

Senior News

Retired bus operator publishes first book

UTU Retiree Program member Robert J. Beard, former District of Columbia legislative director, delegate to two UTU conventions, grievance committee vice chairman, charter coach operator, transit bus driver, and bus memorabilia collector, has added "author" to the list of experiences on his résumé.



Robert J. Beard

Beard's first book, *Square Wheels on the Interstate*, takes a sometimes sad, often whimsical, and generally humorous look at a lifetime spent as a driver for Trailways, Greyhound, and various local transportation systems.

"There have been a number of bus drivers who have written books, but this is quite different," Beard said. "It's a fun book, and easy to read. People say they read it in two or three nights because they didn't want to put it down."

Among those who enjoyed the book is Jim Lehrer, host of *PBS Newshour*, who happens to be a bus memorabilia collector and the owner of a 1946 Flxible Clipper. After reading an early proof of the manuscript, Lehrer was moved to contribute a forward for the book.

Beard joined the Brotherhood of Railroad Trainmen in 1961, and soon got involved in union activities. Though his book doesn't focus on the labor movement, it's peppered with allusions to this aspect of his life.

One chapter in particular notes Beard's experience as state legislative director, which he pointed out with pride was "a position never held in D.C. or any state by a bus member of the union."

Beard may consider writing again, but in the meantime, he's busy making plans with another retired bus operator to start a national Trailways retiree association. "We're thinking about hosting a reunion next year, but nothing's firm yet," he said.

For information about purchasing his book, write to Beard at: *Square Wheels*, P.O. Box 23, Temple Hill, MD 20757-0023, or send him e-mail at <squarewheels@erols.com>.

Medicare, Social Security funds buoyed by economy

The bustling U.S. economy has extended the solvency of Medicare and Social Security, with both programs in better shape today than they were a year ago, according to annual reports released by the programs' trustees.

The reports forecast three extra years of full Social Security benefits for retirees before a potential cash shortfall occurs in 2032.

If changes to the system are not made, however, the government will only be able to pay out about three-quarters of promised benefits when the shortfall happens.

Events that affect Social Security generally affect the Tier I portion of Railroad Retirement benefits.

The trustees also said that, at least in the short term, the economy's performance, in tandem with the Balanced Budget Act of 1997, has improved the outlook for Medicare's Hospital Insurance Fund (Part A), which should remain solvent until 2008, seven years longer than predicted last year.

The trustees also voiced concern over Medicare's Supplementary Medical Insurance (Part B) trust funds. The report called on Congress and the National Bipartisan Commission on the Future of Medicare to develop and enact solutions to control costs.

While Social Security now collects more payroll taxes than needed to pay benefits to today's retirees, Medicare's Part A fund "remains seriously out of financial balance," the trustees said. For the past three years, Part A expenditures have exceeded income by \$17.2 billion.

One of the trustees, Treasury Secretary Robert Rubin, said Social Security's improved prognosis is "almost entirely due to the strength of the U.S. economy and our projections that over the near term that strength continues."

In contrast to last year's report, the trustees expect lower inflation and unemployment rates, higher productivity and inflation-adjust-

ed wage gains and a smaller decline in average hours worked in the next 10 years.

Republican lawmakers are calling for a new system to replace Social Security based on personal accounts invested privately by workers. Congressional Democrats, however, said the optimistic forecasts indicate how far modest changes can go toward solving the pension program's problems.

"The message from these latest projections," said AFL-CIO President John J. Sweeney, "is a reminder that we need to act responsibly to strengthen the system. Radical plans to tear apart America's most successful family protection plan and replace it with privatized investment accounts are way off base."



Medicare reform panel eyes fixed benefit plan at 1st business meeting

At its first business meeting, the National Bipartisan Commission on the Future of Medicare focused on the possibility of creating a defined-contribution plan under which beneficiaries could buy coverage from a number of health plans using a fixed, annual government payment.

The 17-member panel is charged with delivering by March 1999 its recommendations for long-term reform of the Medicare system.

Most of the two-day meeting was spent quizzing Federal Reserve Board Chairman Alan Greenspan and 10 other witnesses on the effects of changing the system from its current defined-benefit structure. Under current law, Medicare beneficiaries are guaranteed a benefit package with no caps on spending.

Democrats on the panel received from Republican members an agreement to hold two field hearings outside Washington, D.C., in August and October to sample the reform advice offered by average Americans. Locations for the public hearings have yet to be determined.

Roundup: Reunion, rail celebration, memorabilia sought, and luncheons slated

PRR reunion set for July

Retiree Program member R.L. Brown of Local 1518, Indianapolis, is making final arrangements for this summer's annual Pennsylvania Railroad Reunion. Open to everyone, this year's event will be held July 14, 1998, from 9 a.m. to 2 p.m., at the Columbus, Ind., Holiday Inn. For more information, call Brown at (812) 376-8273, or write to him at 3170 Flintwood Dr., Columbus, IN 47203.

Books support history society

Retired member G.R. "Ralph" Patalano of Local 587, Greenfield, Mass., will autograph copies of his book, *Behind the Iron Horse*, during a day-long railroading celebration sponsored by the Vermont Historical Society set for June 28, 1998. Among the highlights will be the opportunity to ride the Green Mountain Flyer between Bellows

Falls and Chester, Vt. Patalano's book pays tribute to those who made the area a busy railroading center; proceeds from its sale are used to support the historical society's activities. For more information, call (802) 828-2291, or contact Patalano by calling (802) 463-4284, or write to him at 15 Highland View, Bellows Falls, VT 05101.

Member seeks memorabilia

Retiree Program member Gary Farmer is seeking Penn Central and Pennsylvania Railroad memorabilia and information, and would like to correspond with those who share a similar interest. Contact him by writing to 12 Thornapple Dr., Marietta, PA 17547, or call him at (717) 421-4409.

Luncheons in Bakersfield, Cal.

Retirees from all crafts off the Southern

Pacific and Santa Fe meet on the last Tuesday of each month except December at the Elks Club in Bakersfield, Cal., according to Retiree Program member Raymond P. Robinett of Local 1581. The group shares a luncheon around 11 a.m. For information, call Robinett at (805) 392-0694, or write to him at 5412 Pembroke Ln., Bakersfield, CA 93308.

Monthly winner

This month's lucky winner of his choice of any item of UTU-logoed wearing apparel is Milton J. McKinney of Newport, Vt. Brother McKinney is a retired member of Local 256 in Watervliet, N.Y., which represents workers employed by the Delaware & Hudson Railroad.

Bulletin Board

BOOK: Dennis Gross (199) is offering for sale a book entitled "Standard Train Rule Examination," copyright 1925. Gross says the book is in very good condition. For more information, write him at P.O. Box 657, Creston, IA 50801.

KEYS, LAMPS: Mrs. George Hotra has switch keys and railroad lamps for sale. Call (216) 661-9055 or write her at 4190 W. 59th St., Cleveland, OH 44144.

TIMETABLES: Mrs. Robert Snow has for sale timetables from the Indiana Harbor Belt and B&OCT. She also has rules and equipment books. Write her at 2630 Ball St., Mercer, WI 54547.

LANTERN: Retired switchman George Green (1000) has Great Northern, Northern Pacific, Burlington Northern, Rock Island, Penn Central and Southern scale-model first-gear trucks (semi & straight) that he will trade for Minnesota license plates. Write Green at RR 1, Box 36F, Grey Eagle, MN 56336-9707.

RAIL MITTENS: Greg Boam (471) has for sale specially designed, heavy-duty, buckskin leather switching mittens. For more information, write Boam at P.O. Box 40112, Eugene, OR 97404.

LIONEL TRAIN: Joe Riegler has for sale a pre-WW II Lionel train set with O-gauge engine. Write him at 32-943 Guadalajara, Thousand Palms, CA 92276, or call (760) 343-2929.

STORIES WANTED: An author is seeking funny, true-life stories about the rails for book entitled "You Might Be a Railroader If." A portion of the proceeds from the book will be donated to the author's charities in Alliance, Neb. Send stories to: Funny Stories, P.O. Box 1014, Alliance, NE 69301-1014.

LANTERN GLOBES: Jim Barnes (894) has for sale or trade several dozen lantern globes for various lanterns. Write him at 5110 E. 93d, Tulsa, OK 74133, or call (918) 492-4990.

DATE NAILS: Art Christopherson (418) has approximately 12 pounds of cop-

per date nails from the 1920s, 1930s and 1940s for sale. He will accept the best offer. Write him at 324 Lakeshore Dr., McCook Lake, SD 57049, or call (605) 232-4327.

SWITCH KEYS: Retired member Harold Schreibman of Local 1370 at New York City has 12 switch keys from different railroads for sale. Write him at 212-04 15th Ave., Bayside, NY 11360-1106.

TRADER: A.L. Byers of Local 94, Kansas City, wants to buy or trade links and pins, date nails, locks and keys, lanterns, pens and pencils, and other railroadiana. Write him at 511 N. 82d St., Kansas City, KS 66112.

WALLETS: Amtrak assistant conductor Ken Campbell (816) has created a leather conductors' wallet large enough to hold most ticket fare books, ticket stock, and related items. In black, burgundy or tan, they are \$24.95 plus \$3.50 S/H. For details call Campbell at (717) 774-2670.

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Individuals who have begun contributing to TP&EL or increased their donations to \$100 or more per year within the last two months.

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Barczak, Ronald J.	1000	Minneapolis, MN	*Johnson, Carrol E.	283	Portland, OR	Delong Jr., Darrell W.	1177	Willmar, MN
Gilwee, James F.	1201	Stockton, CA	Weland, Michael E.	306	Eagle Grove, IA	Eyerman, Gregory J.	1190	Ludlow, KY
McVay, William W.	1418	Conway, PA	*Lotz, Robert C.	322	Milwaukee, WI	Gordon Jr., Stanley E.	1129	Wichita, KS
Peirce Jr., Robert N.	1418	Conway, PA	Bond, Robert H.	329	Boone, IA	Bailey, Ronald E.	1241	Richmond, CA
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Delgado, Rito	1841	Klamath Falls, OR	*Nord, Frank H.	486	Glendive, MT	*Kenny, Edward C.	1375	Philadelphia, PA
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Pastore, Joseph C.	1421	Franklin Park, IL	Wagner, Dennis L.	904	Evansville, IN	Rauer, David W.	1532	Kansas City, KS
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Deloa, Raymond R.	200	North Platte, NE	Newell, Mitchell J.	977	Pasco, WA	Short, David M.	1816	Toledo, OH
Essex, Michael D.	200	North Platte, NE	*Cupryna, Stanley J.	1000	Minneapolis, MN	Grutzius, Lawrence T.	1895	Chicago, IL
Figard, Dean J.	200	North Platte, NE	Brost, Gerald C.	1000	Minneapolis, MN	*Damico, Charles V.	1933	Washington, DC
Fraker, Philip L.	200	North Platte, NE	Gabbert, Steven P.	1000	Minneapolis, MN	Sparks, Roger A.	1975	Kansas City, MO
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Hiatt, Irving F.	200	North Platte, NE	Caldwell, Christopher	1042	Oklahoma City, OK			
			*Lyon, Robert J.	1059	Minot, ND			
			Lee Jr., James H.	1059	Minot, ND			

* = Retired Member

UTU member saves toddler

[Continued from page 1](#)

of the cab, racing along the ledge of the locomotive to the front of the engine. He said he realized there was no time to jump ahead of the train and grab Emily, so he went down a set of steps, squatting at the bottom and hanging on.

As the train neared Emily, slowing to 10 mph, the girl rolled off the rail to the outside of the roadbed but was still in danger of being hit by the engine. Mohr stretched out one leg to kick her out of the way. He then jumped off the train and ran to Emily and cradled her in his arms.

"I don't even remember going out the door and down the steps," Mohr said. "I don't even remember the engineer blowing the whistle. Everything was on that baby." Mohr, 48, has four children.

"I did what anybody would have done," he said.

Lessons in labor

Hundreds of union activists gathered last month for a conference entitled "Organizing For Keeps: Building a Twenty-First Century Labor Movement."

More than 100 top union organizers and college labor professors attended the three-day program, which featured workshops and activities for individuals committed to revitalizing and strengthening the labor movement.

John Nadalin, UTU director of strategic planning, the only rail labor representative in attendance, said he saw the promise of great success in labor's struggle for dignity in the workplace "if only our message can be packaged in just the right way. Organizing must begin at home. This means regular attendance at local meetings, participation in local functions, and helping members or their families in need."



Look Inside



1 Norfolk Southern conductor

Robert Mohr risked his life to save the life of a 19-month-old toddler who had wandered onto railroad tracks.



3 Former Assistant Kansas Legislative Director

Howard Ferguson was honored recently for his many years of dedicated service to members there.



6 How does Railroad Retirement compare with Social Security?

This special report examines the differences, and similarities, between the two pension systems.



10 UTU Retiree Program

Member Robert Beard has written a light-hearted book about his life as an interstate and transit system bus driver.



JUNE 1998

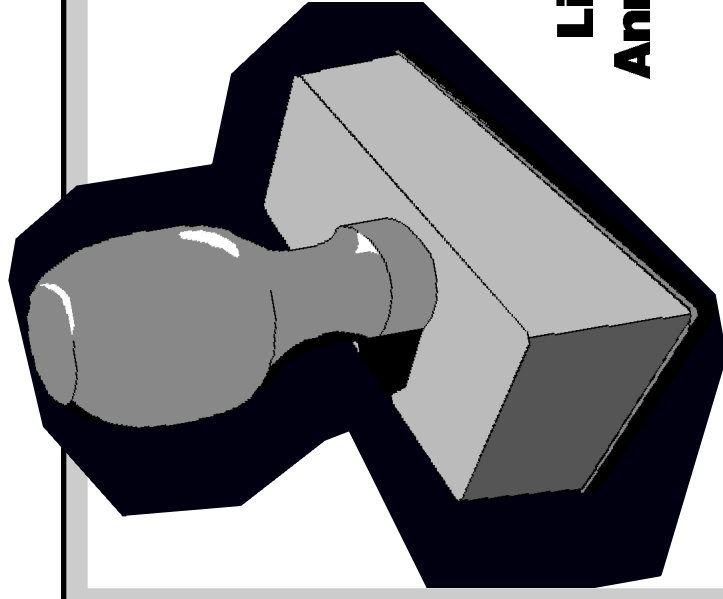
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If your spouse doesn't work outside the home and your compensation is at least \$4,000, you can also contribute \$2,000 to your spouse's IRA, provided your AGI doesn't exceed \$150,000 and you file a joint tax return.

The traditional IRA required minimum distribution rules do not apply to Roth IRAs. As a result, distributions need not start at age 70½.

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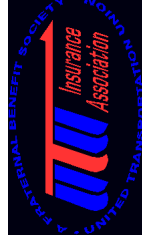
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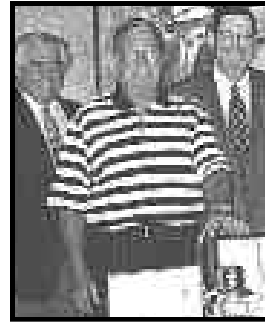
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UTU News *Look Inside*



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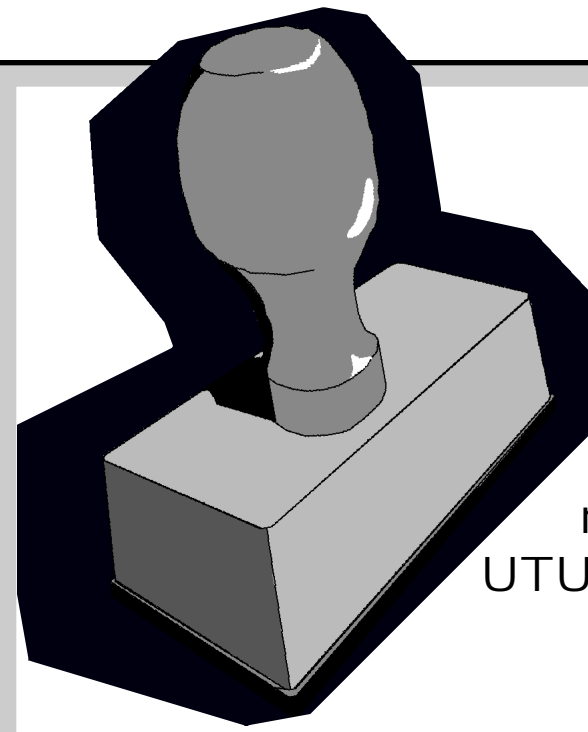


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How does Railroad Retirement compare to Social Security?

In the U.S., employers and employees covered by the Railroad Retirement Act pay higher retirement taxes than those covered by the Social Security Act, and Railroad Retirement benefits remain substantially higher than Social Security benefits.

That may be the case today, but as lawmakers examine ways to reform the Social Security system, there may be changes in store affecting all UTU members, regardless of their occupations.

Recently, the House of Representatives overwhelmingly approved creation of a bipartisan commission to propose long-term reforms to keep Social Security solvent well into the next century.

Meanwhile, President Clinton continues to lead a national dialogue on the subject, hosting a series of regional, nonpartisan forums to air the public's concerns.

Events affecting Social Security generally affect the Tier I portion of Railroad Retirement, and battles waged in the near future may affect the pensions, and other benefits, enjoyed by active and retired UTU members alike.

What benefits do the two systems deliver today, at what cost, and how do they compare?

The following questions and answers compare Railroad Retirement and Social Security benefits payable at the close of the fiscal year ending Sept. 30, 1997, highlighting the differences in age requirements and payroll taxes under the two systems.

How much are the average monthly Railroad Retirement and Social Security benefits paid to retired employees and spouses?

The average age annuity being paid by Railroad Retirement at the end of fiscal year 1997 to career rail employees was \$1,620 a month, and for all retired rail employees the average was \$1,225. The average age retirement benefit being paid under Social Security was about \$750 a month. Spouse benefits averaged \$485 a month under Railroad Retirement compared to \$370 under Social Security.

The Railroad Retirement Act also provides supplemental annuities of between \$23 and \$43 a month, which are payable to employees who retire directly from the industry with 25 or more years of service.

How much are the disability benefits currently awarded?

Disabled railroad workers retiring directly from the railroad industry at the end of fiscal year 1997 were awarded about \$1,720 a month on the average, while awards for disabled workers under Social Security averaged about \$720.

While both Railroad Retirement and Social Security provide benefits to workers who are totally disabled for any regular work, the Railroad Retirement Act also

provides disability benefits to career employees disabled for work in their regular railroad occupation. Career employees may be eligible for such an occupational disability annuity at age 60 with 10 years of service, or at any age with 20 years of service.

What are the maximum amounts payable to recent retirees?

In 1998, the maximum total monthly benefit initially payable to an employee and spouse under the Railroad Retirement Act is \$3,880. Under the Social Security Act the maximum monthly amount payable to an employee retiring in 1998 at age 65, and his or her spouse, is \$2,013.

Can railroaders retire at earlier ages than workers under Social Security?

Railroad employees with 30 or more years of service are eligible for regular annuities based on age and service at age 60. Certain early retirement reductions are applied to such annuities awarded before age 62, but only to the portion of the annuity approximating a Social Security benefit, and no age reductions are applied to the annuities of 30-year employees retiring at age 62. Under Social Security, a worker cannot begin receiving retirement benefits based on age until age 62, regardless of how long he or she worked, and retirement benefits are reduced for retirement before age 65.

Rail employees with 10 to 29 years of creditable service are eligible for regular annuities based on age and service at age 62. Early retirement annuity reductions are applied to such annuities awarded before age 65, just as they are applied under Social Security. As under Social Security, starting in the year 2000, the age at which full benefits are payable will increase in gradual steps until it reaches age 67 in the year 2022.

Reduced benefits will still be payable at age 62, but the maximum reduction for employees will be 30%, rather than 20%, by the year 2022. However, the Railroad Retirement annuity reduction will be less if the employee had any rail service before August 12, 1983. Also, these changes will not affect rail employees who retire at age 62 with 30 years' service.

Does Social Security offer any benefits which are not available under Railroad Retirement?

Social Security does pay certain types of benefits which are not available under Railroad Retirement. For example, Social Security provides children's benefits when an employee is disabled, retired or deceased. Under current law, the Railroad Retirement Act only provides children's benefits if the

employee is deceased.

The Railroad Retirement Act does include a special minimum guaranty provision which ensures that railroad families will not receive less in monthly benefits than they would have if railroad earnings were covered by Social Security rather than Railroad Retirement laws. This guaranty is intended to cover situations in which one or more members of a family would otherwise be eligible for a type of Social Security benefit which is not provided under the Railroad Retirement Act.

How much are monthly benefits for survivors under Railroad Retirement and Social Security?

Survivor benefits are generally higher if payable by the Board rather than Social Security. Those awarded by the Board at the end of fiscal year 1997 to aged and disabled widows and widowers of railroaders averaged about \$900 month, compared to about \$685 under Social Security.

How do Railroad Retirement and Social Security lump-sum death benefit provisions differ?

Both the Railroad Retirement and Social Security systems provide a lump-sum death benefit. The Railroad Retirement lump-sum benefit is generally payable only if survivor annuities are not immediately due upon an employee's death. The Social Security lump-sum benefit may be payable regardless of whether the monthly benefits are also due. Both Railroad Retirement and Social Security provide a lump-sum benefit of \$255. However, if a railroad employee completed 10 years of service before 1975, the average Railroad Retirement lump-sum benefit payable is about \$910.

The Social Security lump-sum is generally only payable to the widow or widower living with the employee at the time of death. Under Railroad Retirement, if the employee had 10 years of service before 1975, and was not survived by a living-with widow or widower, the lump-sum may be paid to the funeral home or the payer of the funeral expenses.

The Railroad Retirement system also provides, under certain conditions, a residual lump-sum death benefit which insures that a railroad family receives at least as much in benefits as the employee paid in Railroad Retirement taxes before 1975.

How do Railroad Retirement and Social Security taxes compare?

Railroad Retirement Tier I and Medicare taxes on employees and employers are the same as Social Security taxes, with a rate of 7.65%, consisting of 6.2% on earnings up to \$68,400 in 1998 and 1.45% for Medicare hospital insurance on all earnings. Rail employees pay an additional Tier II tax of 4.90% on earnings up to \$50,700 a year, while their employers pay Tier II taxes of 16.10%. Rail employers also pay a separate work-hour tax to finance the Railroad Retirement supplemental annuity program. The rate is determined quarterly and has been set at 35 cents per work-hour through June 1998.



Law requires beneficiaries to accept direct deposit of Federal payments

The Debt Collection Improvement Act of 1996, enacted with bipartisan congressional support on April 26, 1996, requires the use of electronic funds transfer (EFT) for all federal payments (except for tax refunds) starting January 2, 1999. This includes Railroad Retirement, Social Security, veterans' and other benefit payments.

The following questions and answers provide information about EFTs.

How is EFT advantageous to beneficiaries and the government?

EFT is advantageous to beneficiaries because those enrolled do not have to be concerned about a benefit check being lost or stolen, do not become inconvenienced by mail delays, do not have to go to the bank or remail a check to deposit it, or worry about a check sitting in the mailbox when they're away from home. EFT payments begin to earn interest at once if the payments are deposited in an interest-bearing account, and benefit payments are available in a beneficiary's account the morning of the payment date.

The program is also to the advantage of the government and the public because current costs for issuing a check payment are 43 cents as compared to 2 cents for issuing a direct deposit payment. For example, if all payments issued by the Railroad Retirement Board were now issued through EFT, the board could save \$1.5 million each year.

EFT will save the federal government as a whole as much as \$100 million a year in processing costs alone. This savings is in addition to the \$65 million lost each year by individuals, businesses and the government as a result of forgery, theft and counterfeiting of government checks.

How will the law affect persons still getting paper checks who also have bank accounts?

All federal payment recipients with an account at a financial institution (bank, credit union, or savings and loan) must designate that account to receive their payments by EFT.

What will happen to beneficiaries without bank accounts?

Federal recipients without an account at a financial institution may choose to open an account at a financial institution on their own, or to be provided with an account in their name that allows them to access their funds at a reasonable cost and that has the same consumer protections as other accounts at the same financial institution.

These recipients would be able to continue receiving paper checks until these accounts, being designed by the Department of the Treasury, are available or until Jan. 2, 2000, whichever is earlier. These newly created "Electronic Transfer Accounts" would permit ATM and point-of-sale access.

Are any waivers for individuals included in the regulations?

Hardship waivers for individuals would be granted in the following cases:

Individuals who began receiving federal payments before July 26, 1996, and who have an account with a financial institution, would not be required to receive their payments by EFT if they certify that payment by EFT will impose a hardship due to a physical disability or geographic barrier.

Individuals who certify that they do not have an account with a financial institu-

tion and that payment by EFT would impose a hardship due to a physical disability or geographical barrier, or would impose a financial hardship, would not be required to receive their payments by EFT.

In addition, agencies will not be required to make international payments by EFT when the financial or communications infrastructure to support EFT does not exist in the country where the payment needs to be made.

What entities will be allowed to act as authorized payment agents for federal payment recipients?

Regulations define an authorized payment agent as any person or entity that is appointed as a representative payee or fiduciary, under regulations of the Railroad Retirement Board, the Social Security Administration, the Department of Veterans Affairs or other agencies, to act on behalf of a beneficiary of a federal benefit payment. Common examples include relatives of the recipient or a nursing home designated to manage the recipient's finances.

Can EFT payments be made to an account in the name of an individual other than the recipient?

The law requires all payments to be made to an account in the name of the federal payment recipient with two exceptions. The first exception addresses cases in which a representative payee or fiduciary has been designated by an agency to manage the beneficiary's finances and receive payments on his or her behalf.

The second exception involves situations in which beneficiaries choose to have their payments deposited in an account in the name of a broker or dealer registered under the Securities Act of 1934.