

CIRCULAR LETTER NO. 1

January 16, 2006

TO ALL LOCAL CHAIRPERSONS:

Dear Sirs and Brothers:

As an on-going process - in the General Chairman's office, we send out Circular Letters as circumstances dictate in regard to issues that are of importance to all of our Membership. We are requesting that you read these documents at your Union Meetings for the Membership's benefit and also place them on bulletin boards for those Members who cannot attend the Union Meeting. Incorporated below are issues of importance for our Membership.

Family Medical Leave Policy Ruled Improper:

On January 1, 2004, the Union Pacific implemented a policy regarding unpaid leave under the Family Medical Leave Act (FMLA). The policy requires the employees to substitute accumulated paid leave (sick pay, vacation, personal days, etc.) for unpaid leave when requesting time off under the FMLA. Other rail carriers (BNSF, CSX, IHB) imposed similar policies requiring the substitution of paid leave for unpaid leave under the FMLA.

The UTU and other rail labor organizations challenged the carrier policies in Federal Court in January, 2004. On December 28, 2005, the U. S. District Court for the Northern District of Illinois, Eastern Division, Judge Wayne R. Anderson presiding, rejected the carrier's interpretation of the FMLA, stating:

“The FMLA does not allow employers to violate pre-existing contractual obligations. If CBA provisions grant employees the right to determine when, or in what manner, they utilize certain types of paid vacation and personal leave, those CBA provisions prevent employers from substituting such leave for FMLA leave.”

At this time it is unclear whether the Union Pacific will comply with the court ruling, or will challenge the decision in an appeals court. Until such time as the carrier complies with the court ruling, employees who are forced to utilize paid leave during an FMLA absence should file a penalty claim for a day's pay each date required to utilize paid leave in violation of the contract. The employee should also request that the paid leave be restored. These claims should be handled in a timely manner.

 **Authorized Mileage Rate:**

Attached is a letter from the International office regarding the reimbursement rate for private automobile use. Effective January 1, 2006, the automobile rate will be reduced to 44.5 cents per mile.

Trusting this information will aid you in keeping our Membership informed of issues confronting us and with best personal wishes, I remain

Fraternal ly yours,



Michael J. Reedy
General Chairman, G. C. A.

MJR: j g

cc: Paul Thompson, International President - UTU
Rick Marceau, Assistant President - UTU
Dan Johnson, III - General Secretary/Treasurer - UTU
Joe Szabo, Director Illinois State Legislative Board - UTU
Pat Hendricks, Director Iowa State Legislative Board - UTU
Phil Qualy, Director Minnesota State Legislative Board - UTU
Ray Lineweber, Director Nebraska State Legislative Board - UTU
Tom Dwyer, III, Director Wisconsin State Legislative Board - UTU