Sister and Brother Delegates, Guests and Friends:

It is an honor and a pleasure to welcome you to the 57th International Convention of the Amalgamated Transit Union. I would like to express my gratitude to the California Conference Board, and especially recognize Local President Joseph Gotcher and the officers and members of Local 1309 for so effectively representing our members here in San Diego. We thank you all for hosting our gathering here at the Hilton San Diego Bayfront.

We have created an agenda that I think you will find valuable, educational and enjoyable. The theme of this Convention – So Much More – reflects our conviction that while we have accomplished so much in the last three years, we have only begun to realize the full potential of our International Union. Consequently, one of the most important goals of this assembly will be to provide you with the tools you need to unlock that potential in your own local union.

Those tools will be made available, for the first time, in special Convention Training Academy workshops that will enable you to go back to your local and accomplish so much more than ever before. And, as a result, the combined efforts of all of our locals will accelerate our continuing campaign to create an ever more potent political force locally and nationally.

This week you will be reviewing the work of the last three years, hearing from notable speakers, considering resolutions, electing international officers, and voting upon a plan to restructure the Union.

These are no small responsibilities, but I have no doubt that you will meet the challenges presented to you, just as the delegates to prior Conventions have done in the past.

In another first, the International has published all of the major publications for this Convention in a digital format. In addition to saving the Union a lot of money, the digital format will provide readers with a quick and easy way to search for specific material within our international reports. ATU staff will be on hand to assist you should you have any problems navigating the technology used to access these materials.

These documents will provide you with an overview of the successful work ATU has done over the last three years – a period during which transit workers, labor unions and working families have been attacked more forcefully than they have been in decades.

The seriousness of those challenges had just started to become apparent when I took office in October 2010. In response, the delegates to the 56th Convention gave the International a clear mandate for change. Not only did that mean taking a more proactive approach toward fighting privatization and union busting, but it also meant developing a plan to restructure the Union in a way that would serve our members well in the 21st Century.

As I took office, the first major order of business was to re-energize ATU’s political efforts in both the United States and Canada.

With that in mind, we first brought all of the national and large local organizations in the United States with a stake in mass transit together to pursue a national campaign to restore the jobs and service that were being drastically cut because of funding shortfalls all over North America. That meeting took place at international headquarters on October 14, 2010.

It was at this meeting that our plans for “ATU Boot Camps” to teach transit advocates how to become transit activists began to take shape.

At a special meeting of the General Executive Board held in December 2010, the GEB approved a wide-ranging list of motions designed to carry out the mandate for change issued by the 56th Convention. Among those were motions to:

- Establish a new Department of Training and Field Mobilization that would work directly with local unions to “strengthen local organizing, legislative and political activities, and community support.”
• Develop strong community-based coalitions uniting our locals and sympathetic organizations in support of mass transit.
• Create a new, additional ATU-COPE program that would return and match 100% of a local’s COPE dollars raised above prior year levels to support the coalition building campaigns.
• Roll out an aggressive communications program to get our message across to our members and the public.
• Provide advanced training on coalition building and activism in both the United States and Canada.

In Canada, the Canadian Council gave its support to a bill introduced in Parliament by New Democratic Transport Critic Olivia Chow that would establish a “national public transit strategy.” The bill called for a permanent investment plan for transit systems and innovation research under the leadership of the federal government.

The negative political climate in the United States in 2011 emboldened powerful corporate elites working through an organization called the American Legislative Exchange Council (ALEC) to advance an anti-union agenda in state legislatures.

Through our Field Mobilization Department, the International was instrumental in coordinating ATU’s involvement in the state movements to defeat the anti-union measures. Consequently, ATU members were among the thousands working to block passage of an anti-union bill at the state capitol in Madison, WI. Failing that, they later worked tirelessly in a campaign that recalled two of the legislators held responsible for passage of the bill.

In Ohio, ATU members joined Labor’s “full court press” to overturn the anti-public worker union law there. Voters overwhelmingly rejected the law. It was a huge victory for organized labor in which ATU played a vital part.

2011 was a deadly year for over-the-road (OTR) transit in the United States. Twenty-two people died in four crashes – including a devastating accident in the Bronx that took 15 lives – over the course of five months. Driver fatigue was a major factor.

In response, ATU published a white paper – “Sudden Death Overtime” – to raise awareness of the driver fatigue issue. We pointed out that the real culprit behind driver fatigue was the exemption from the requirement to pay overtime wages to interstate transit drivers in the Fair Labor Standards Act.

In 2011, we began our long-range campaign to make people aware that driver fatigue will continue to be a problem as long as curbside operators pay no penalty for forcing their drivers to work beyond the limits of human endurance. That campaign continues today as our members lobby for support of the Driver Fatigue Act.

Assaults on drivers continued to increase in 2011, and Canadian operators seemed to get the worst of it. Record numbers of drivers were punched, kicked, stabbed, spit upon, and verbally abused in both countries.

In Ottawa, ON, the Canadian Council continued to lobby for federal legislation similar to the federal law in
the United States that would increase the penalties for assaulting a transit worker.

There was, however, some evidence that we were beginning to make some headway in Canadian courts. The man who viciously attacked an ATU driver in Edmonton, AB, was declared a “dangerous offender.” The designation by an Alberta provincial court sent the criminal to jail until such time he is no longer deemed a risk to the public. The court’s ruling was the most severe punishment given in Canada for assaulting a bus driver to date.

Also in 2011, we utilized our expanded communications resources to raise our public profile with an aggressive media campaign, and found a wider audience for our message. Consequently, I appeared on MSNBC’s The Ed Show and on many other local and national outlets to call attention to the crisis in mass transit and the new assault on Labor. The new communications initiative generated much greater media coverage of ATU and its issues than ever before.

In 2011, the ATU website was re-launched, In Transit was revised, and all locals were offered the option of having a free website through TransitWeb – a new service offered by ATU and the AFL-CIO.

In addition to redesigning ATU Dispatch, we overhauled our Facebook, Twitter, and YouTube social networking sites in 2011, and held the first of many telephone town hall meetings.

The Occupy movement rose up in the fall of 2011. ATU and the Nurses were the first two labor unions to endorse the Occupy Wall Street Movement in September. I was extensively interviewed and quoted by many media outlets as the movement grew.

ATU members enthusiastically participated in Occupy demonstrations in many places in the United States and Canada in 2011, and 2012. Occupy protesters also lent their support to ATU in their fight for transit service in many areas of our countries.

By the end of the year it became apparent that ATU had to step up its campaign against driver assault. At that same time, I became convinced that it was time to tackle an important, but little discussed problem for most transit operators – lack of adequate bathroom breaks. And so, we convened local union leaders of ATU and the Transport Workers Union (TWU), as well as safety and medical experts at international headquarters to strategize and plan a national campaign around those issues.

ATU began its work in the election year of 2012, with an endorsement of Barack Obama for re-election as president of the United States. The Legislative Conference in March focused on capitalizing on the local political structures that the Union had already built for the 2012 presidential election campaign.

On Capitol Hill, we successfully fought Republican attempts to gut federal transit spending, and, in the face of Congressional intransigence, helped secure passage of several extensions of SAFETEA-LU – the federal transportation authorizations act. And, we continued to work to pass legislation that would allow transit agencies serving areas with over 200,000 residents to use at least part of their federal capital funds for operating assistance.

Over the past three years through the vigorous enforcement of our Section 13(c) transit-employee labor agreements, we were able to protect our members’ collective bargaining rights, health care benefits and pensions from vicious anti-union attacks in state legislatures.

Fueled by anti-union corporate zealots and the foundations they support, and aided by a deep recession, attacks on public employee rights and benefits became commonplace. Fortunately, by increasing enforcement of our federal labor protections we were able to insulate our members from these assaults, and saw notable success in Wisconsin, Massachusetts, Michigan, New Jersey and California.

Make no mistake, however, these storm clouds are gathering force and are expected to explode in the years ahead requiring early forecasting and a strong response.

Our Wisconsin members were disappointed when trade unionists lost a close election to recall anti-union, GOP Governor Scott Walker on June 5, 2012. However, we were encouraged when the voters in Weston, WI, most of whom had voted to keep the governor in office, voted to restore mass transit in their town.

Later, going against all trends in 2012, the citizens of Fall River and New Bedford, MA, convinced local officials to extend transit service in their communities. And voters in Baton Rouge, LA, approved a new transit tax for the first time ever.

These successes were the result of the coalition building work done by ATU locals in those areas.

The Union worked overtime in 2012, to secure the re-election of President Obama. The “I’M IN” campaign was developed to attract members to work
for the election of pro-transit and pro-labor candidates. Members from all over the United States and, even, Canada, posted pictures of themselves holding the ATU “I’M IN” poster on the ATU Facebook page.

The drive received a major push from the “Rocking the Transit World” conferences the Union held, September 28 – October 3, 2012, in Denver, CO, and Cleveland, OH – in two crucial states where we concentrated much of our work in order to maximize our effect. The highlight of that event was the first-ever, live Internet simulcast of our rallies in those two cities that enabled the entire Union to take part in the event. More than 4,000 viewers, including many with multiple members watching in their homes and local union halls, logged on to the two-hour interactive webcast.

After the “Rocking the Transit World” conferences, our members mobilized across the nation holding out more than one million pieces of campaign literature to passengers, thanking them for riding mass transit and encouraging them to vote for transit- and labor friendly candidates. ATU’s work in Ohio, Colorado, and all across America was instrumental in the re-election of President Obama as well as pro-transit candidates such as Senators Elizabeth Warren, D-MA, and Tim Kaine, D-VA; and Representatives Joe Kennedy, D-MA, and Tammy Duckworth, D-IL, in November.

Having successfully flexed our new political muscle, we resolved to keep moving forward, pressing to advance ATU’s agenda at all levels of government in both countries.

Canadian locals were subjected to new anti-union forces in collective bargaining in 2012. Difficult negotiations and strikes took place at properties in York, ON; St. John, NB; Hamilton, ON; Halifax, NS; and Moncton, NB; among others.

Our Canadian locals continued to fight proposals to declare their work an “essential service,” which would eliminate their right to strike, and, for the first time, began to deal with the same sort of foreign privatization that has bedeviled their U.S. counterparts.

Our members responded to the call for change given by the 56th Convention by working harder than ever before to make that change real in 2012. It was a tribute to all our members when The Nation magazine named ATU the “Most Valuable National Union” of 2012 in its annual progressive honor roll. The Nation praised ATU for its aggressive, progressive approach in fighting for more and better public transportation, and for upholding social and economic justice as a standard for the labor movement.

The economy began to improve in 2013, but state and local politicians continued to enact austerity budgets that denied transit workers much hope for a better life. ATU went on the offence against cuts in local transit funding and service early in the year.

A new Liberal premiere has been elected in Ontario who is willing to risk her political future on improving transit in the province. And, even though it is very apparent that the province desperately needs to maintain and extend the service it currently provides, all of the proposals to fund improvements in public transit have generated a great deal of controversy.

In Ottawa, the Canadian Council turned up the heat on their elected representatives by bringing local union members and officers from all over the nation to visit their Members of Parliament, urging them to table (introduce) legislation that would increase the penalty for assaulting an operator.

The Council followed that event up with a rally in Saskatoon, SK, in support developing a national transit strategy.

As a result of the Council’s proactive lobbying, two bills have been introduced in Parliament that would make assaulting a transit operator an “aggravating circumstance,” justifying more severe punishment in sentencing.

This is just an overview of the many activities ATU has undertaken in the last three years. You will find a fuller report in the ensuing pages of “International Reports.”

The International Union had a great deal of success in the initiatives it undertook throughout the last three years, thanks to the energy and hard work you and your members invested in those new enterprises.

One of the goals of this Convention is to keep that momentum going, and set ATU up for even greater success in the next three years.

You have been elected to take part in an event that has happened only 56 times in our Union’s 120-year history. It is a rare and powerful moment when delegates from all over North America gather in solidarity. It behooves us all, therefore, to make the most of this historic opportunity.

In accordance with our custom, at this time I would like to recognize and acknowledge the contributions of those international officers who gave so much to this great Union during their careers who have passed from our midst since our last Convention. We shall surely miss them.
Ray Wallace, retired international secretary-treasurer, emeritus, of the Amalgamated Transit Union, passed away on May 23, 2012, in Nashville, TN, at the age of 88. The General Executive Board conferred the title “emeritus” on Wallace upon his retirement in 1989, having served the Union for 35 years.

Born and raised in McNairy County, TN, Wallace entered the U.S. Army in 1943, and served in the 953rd field artillery battery, fighting in the Invasion of France and the Battle of the Bulge. He came home in December 1945, and joined Local 713 (Memphis, TN) as a bus driver in 1946. He married Brownie Weatherington in 1949.

Ray was elected recording secretary of the local in 1953, served as local president from 1956-1959, and local secretary-treasurer from 1960-1965.

He worked as a special organizer for the International before his first election as an international vice president in 1965, and served as a member of the General Executive Board for two years before he was appointed and then elected international secretary-treasurer in 1976.

At the International, he took pride in building up the ATU-COPE programs and improving the skills of financial officers in locals large and small.

A dignified, yet fierce fighter, Ray was able to secure significant gains for ATU members throughout the South. His contributions to the International were great and he was held in the highest regard throughout the Union.

We will remember Ray for his warmth, integrity, intelligence and good sense. He made ATU proud and his passing is a loss we all share with his family.

Gunter Bruckner, retired member of the General Executive Board, co-founder of the Canadian Council, and former financial secretary/business agent of Local 583 (Calgary, AB) died April 19, 2012, at the age of 80. Born on May 28, 1931, in what would become East Germany, Gunter lived through some of the most turbulent events of the 20th Century. Early in his life, he witnessed the rise and fall of Nazi Germany, World War II, and the establishment of a communist state in his homeland. He worked in a flourmill after the war, from 1945 – 1949. But, as he said, “I didn’t see any future in East Germany, so I snuck across the border into West Germany.” He immigrated to Canada in 1952.

Gunter eventually ended up in Calgary where he got a job with the Independent Biscuit Company – which was not unionized at the time.

“A bunch of us got together,” he once recalled, “and we organized a union at the Independent Biscuit Company. I became executive board member and shop steward, and that was my first experience in participating in the union movement.”

The company closed in 1957, so Gunter took a job as a bus cleaner, serviceman, and trolley repairman with Calgary Transit. He experienced his first strike there as a member of Local 583 (Calgary, AB), in 1961.

The 60-day strike was a formative experience for Gunter who took its lessons with him when he was elected executive board member and shop steward in 1961, recording secretary in 1971, and financial secretary/business agent in 1975.

Bruckner was elected to a steering committee to create the ATU Canadian Council in 1977 – which was officially approved by the 1981 International Convention. Gunter was also elected to serve as a member-at-large of the General Executive Board at that same Convention.

Gunter retired in 1987, but his smile and good-natured personality remained a fixture at ATU events and Conventions for decades. A loving and generous man, he will be missed by the many people whose lives he touched.

Gary Maurer, retired international representative, passed away on June 1, 2010. Brother Mauer never sat out a fight. He fought throughout his adult life against injustices everywhere.

From a Jewish family in the Bronx, he spent much of his life in the South. Married to an African-American woman, he lived for several years in Lafayette, LA. He moved there, he said, “When every gas station in Louisiana had three bathrooms.”

He joined ATU in 1976, when he was employed as a Greyhound driver. He was a member of Local 1174 (New Orleans, LA). Gary served as a local union committeeman from 1980 – 1983, and was, subsequently, called upon to head up the local’s COPE program.

After Local 1174 merged with Local 1600 (Atlanta, GA), Brother Maurer served as the editor of the local’s newspaper and recording secretary of the Lafayette (LA) Central Labor Council. He was appointed international representative in 1989, and served in that capacity until his retirement in 2008.

Whether it was fighting against racism in the bus terminals or for workers to have a union, Gary prided
himself on the fact that, “I never sold out a member.” He was a down to earth, courageous organizer. Unafraid of rotten bosses, he was known for his ability to find a way around obstacles thrown up by employers trying to fight the Union.

He helped negotiate the toughest contracts. When Gary passed away in June 2010, his local, Greyhound Local 1700 (National), said of him: “Gary was known for his high-spirited, in-your-face style of organizing. Over the years, he earned the hatred of many bosses and won the gratitude of workers across North America. He proved that rank and file union members can make an enormous contribution to the cause of working people.”

Earle Putnam, retired General Counsel, and “Father of Section 13(c),” died in Virginia on May 2, 2013. He was 84.

It would be hard to find any one single individual who accomplished more for the members of this Union than Earle Putnam. It was Earle who in the 1960s did the work that created what is now known as Section 13(c) – our U.S. federal transit employee labor protections, which has protected our collective bargaining rights ever since.

Without this forward-looking legislation it would have been extremely difficult to retain union representation at all of the properties that were sold to and operated by public agencies over the last 50 years.

Earle was part of every major legal struggle in the service of ATU members for over a quarter century. The 51st Convention in 1995 passed a resolution in his honor saying, in part:

…WHEREAS, Brother Putnam …has in his quiet and unassuming New England manner helped guide this organization through many significant years of change and growth, defending our legal rights upon the transition from private to public ownership early in his tenure, assisting in far reaching litigation efforts that have twice brought the Amalgamated before the U.S. Supreme Court, and more recently advocating our causes in the face of significant challenges in the local courts, state and provincial legislatures; and

WHEREAS, the contribution which Brother Putnam has made to this organization over the past 30 years and his dedication to the Labor Movement has certainly surpassed that of any other nonelected official in the Amalgamated’s history…

NOW LET IT BE RESOLVED: That the delegates to this Fifty-First Convention acting on behalf of the more than 155,000 workers whose interests we represent and on behalf of those represented at the last 15 of our Conventions which have benefited from Brother Putnam’s counsel, do hereby express our deep appreciation and utmost respect for Earle W. Putnam and extend to him and his wife, Margie, our sincere hopes for a long, peaceful and productive retirement.”

Earle leaves a tremendous legacy of accomplishment to the transit and labor communities of the United States and Canada. He is remembered by the international staff as a kind and gracious man who always had an encouraging word for everyone. A plaque honoring his service and commitment to ATU will be installed at international headquarters in Washington, DC.

REPORT

It is my distinct honor and duty as International President to provide this accounting of the works of the International Union since our last Convention. This report, which is required by the Constitution and General Laws, covers the period of July 1, 2010, to June 30, 2013.

No one works alone. The challenges we faced, the choices we made, and the accomplishments we achieved reflect the dedicated efforts of the international officers, the General Executive Board, and our hard working local officers and members throughout North America. Together, we have begun to reshape and retool ATU. Yet, we have so much more to do.

I ask that you carefully review the record of our efforts and weigh my proposals for changes in our Laws and the resolutions for changes in our structure, operations, programs and priorities. I am confident you will find we have honored ATU’s proud traditions of effective representation and organization, and have set forth responsive and responsible recommendations to ensure that we can successfully address the economic, social, financial and demographic realities facing our Union and our members.

At this time, I am pleased to offer for your consideration and approval the following detailed report of our administration and recommendations.
“For the purpose of recommending changes to make our Union more effective and stronger, and to ensure that the ATU is on the offensive and serves as a leader of the transit labor movement.”


IT’S OUR TIME. IT’S OUR TURN. WE MUST ACT.

As we gather in San Diego for ATU’s 57th International Convention, we are faced with some momentous challenges and choices. Challenges and choices that have faced every generation of ATU leaders and the members we represent.

Transit privatization is on the rise as predatory multinational corporations and other companies seek to take over our bargaining units, steal our pensions, reduce wages and raise our health care expenses. Full time jobs are becoming part time as employers seek to deny families the health care they need and their children deserve.

Transport agencies throughout North America, in cities large and small, are reeling from dire funding shortages, resulting in unprecedented service cuts, fare increases and layoffs.

Too often, our organizing efforts have been stymied by union busting corporate-led campaigns funded by anti-union zealots, and our bargaining rights at the state, provincial and federal level are being weakened as a world wide effort to demonize union workers expands, pitting those with good jobs against those seeking work.

And our politics are polarized beyond recognition. Witness Wisconsin, Michigan, Alberta, Massachusetts, Ohio, New Jersey, Georgia, Ontario, Indiana, and California. Need I say more?

With 95 locals of less than 100 members and a total of 137 with less than 200, too many of our locals are often two arbitrations and one strike away from financial crisis. And it doesn’t stop there.

Recognizing these and so many other extraordinary challenges confronting our members, their locals and the industries we represent, delegates to the 56th International Convention approved “Resolution A,” calling for the appointment of an ATU Structural Exploration Committee, or “Restructuring Committee.”

Charged with examining the structure, operations, priorities and programs of the ATU, the International and the Committee embarked on a year-long review of our Union to evaluate what works best, where our problems lie and where and how we can do better.

At education and training conferences, regional and national seminars, GEB meetings and meetings of the Restructuring Committee, in April and June 2013, ATU officers and staff raised questions and sought input and answers to clearly identify our strengths, our weakness and opportunities to better structure and operate our Union to meet the rising challenges and changes we are facing.


WE CAN NO LONGER DO BUSINESS AS USUAL

One clear message emerged from this discussion. We can no longer do business as usual.

Yes, we have to service our members, negotiate and enforce our contracts, and fight for more and better service in all the sectors we represent. But the battleground for these actions is shifting.

No longer can it be one local focused on one employer. No longer do we alone possess the strength and resources to take on the system and the employers we represent. The ground has shifted and we must regroup to better deploy our forces and expand the strategies and tactics we must use to prevail.

Dozens of local unions are dealing with these contractors today – and the numbers are growing as the contractors buy up local companies and ram through privatization schemes at publicly run systems. Currently:

- 47 locals have members employed by First Transit in 22 states and 3 provinces;
- 27 locals have members employed by MV in 17 states and one province;
- 24 locals have members employed by Veolia in 18 states and one province;
• 4 locals have members employed by McDonald Transit in four states; and
• 3 locals have members employed by Keolis in three states.

WE ARE NOT ALONE

We are not alone in debating and deciding how to best move forward. Every union in every sector, public and private in the U.S. and Canada, and our umbrella organizations, the AFL-CIO and CLC, are engaged in similar examinations and decision-making.

WE START FROM A POSITION OF STRENGTH

Fortunately, we start from a position of strength. We are the dominant union in the transit and over-the-road bus sectors. And we are a force to be reckoned with in school bus and paratransit industries. Our contracts and representation are second to none.

During a period of unprecedented attacks on unions, government employees, private and public sector bargaining rights, ATU membership from 2010-2013 held steady at some 192,000 strong.

WE CANNOT BE BLIND TO REALITY

But at the same time we cannot be blind to the realities we face. And the hard questions must be asked. As the Committee met, with input from their members, other locals, and with research provided by the International, they focused on the tough questions.

• How can we address the emerging education, training, research and resource needs of our locals, their officers and our members?
• How can we best retool and reorganize to face national and international employers threatening to undermine our jobs?
• How can we better assist our locals in forming community-based coalitions and mounting effective campaigns?
• How can we better serve our smaller locals?
• How can we expand the reach of our pro-transit, pro-environment message to increase support for transit and good union jobs?

• How can we provide the growing resources necessary to address our needs?

The goal was to emerge from these discussions with solid recommendations to empower the ATU, to build on our strengths, deal directly with both the operational and financial realities we face, and present the delegates to the 57th Convention with a path that would make our Union more effective, more responsive and more relevant to the lives and livelihood of our members and the communities we serve.

The committee quickly realized that to strengthen our Union, we must suit up to fight back in new ways, with smarter plans and strategies, more resources, new coalitions, better and broader education and leadership training to enable our locals to build not only firewalls but pathways to secure our Union and a better future for our members and families and the communities we serve.

That is why I fully embraced the direction and directive approved by the 2010 delegates to our 56th International Convention. I moved swiftly to reset and redirect our Union through the redirection of our training programs, (Boot Camps I and II), integration of community-based coalitions into our legislative and political strategies, the revamping and expansion of our internal and external communications to our members and the riding public.

WE HAVE NOT STOOD STILL

Make no mistake, over the past three years we have not stood still. We have moved aggressively to retool, and re-launch our education and training programs.

Recognizing the value and power that comes with reaching out to our passengers, we have formed new coalitions with those we serve, the churches and synagogues they attend, and the businesses they use to stand together to stop the cuts, limit fare increases, and build a wider base of support for safe and effective transit service.

We have engaged in unprecedented political activity, and we have injected timely and sophisticated economic and corporate research into our collective bargaining and community campaigns, and acted—not reacted—by getting our message out to the media through an enlarged communications program.

COMMITTEE RECOMMENDATIONS

Based on their deliberations, and with my full support, the Restructuring Committee strongly recommends
that we amend our Constitution and General Laws to create Joint Industry Councils which will bring together all ATU members working for a common employer.

Additionally, based on those deliberations, the Committee recommends an increase in the per capita tax to ensure that the International Union has the resources it needs to expand the education and training of ATU members and local leaders, conduct contract and community-based campaigns, and fight for justice in our workplaces through intermediate union structures and other forms of organization.

The amendments to our Constitution and General Laws suggested by the Committee, which I endorse, are included in the Laws section just before the Concluding Remarks at the very end of this report.

I. JOINT INDUSTRY COUNCILS

Our members are increasingly working for a growing group of predatory multinational corporations. Companies that we have fought with in the past like Veolia, First Group, and MV Transportation are expanding as they convince more transit systems and school districts to privatize transit and school bus service. Simultaneously, corporations like Keolis and National Express are aggressively entering North America seeking to impose concessions on our members.

In order to deal with the new structure and scope of the private-sector transit contractors, the Committee recommends that we establish Joint Industry Councils to bring together ATU local unions and members who work for the same transportation contractor. These J.I.C.s will ensure that no local is alone in its fight against these multinational corporations.

The J.I.C.s will coordinate collective bargaining to maximize our leverage at the table; conduct corporate-wide campaigns to advance our interests and defend our contracts; perform corporate research; analyze requests for proposals (RFPs), perform contract comparisons of wages, benefits and terms, identify and develop strategies to address employer-wide issues such as drug and alcohol testing and other work rules, and examine trends in grievances and arbitration awards.

II. ADDITIONAL RESOURCES FOR ATU LOCAL UNIONS TO:

• Expand Education and Training
• Develop Contract and Community-Based Campaigns
• Advance Contract Enforcement and Benefit Standards

The Committee recognizes that ATU members are under attack like never before. In addition to creating the structures we need to fight back, the Committee was determined to ensure that the International Union has the resources it needs to better train local union leaders, launch campaigns to push forward our agenda, and sustain our organizational structures.

Based on a thorough review of the International Union's programs and its finances, the Restructuring Committee recommended that, in addition to the annual adjustment of the per capita tax tied to the consumer price index, there be an increase in the per capita tax of $1.50 on both July 1, 2014, and July 1, 2015, and that the additional per capita increase be for the purpose of training and education, contract and community-based campaigns, and to support the activities of intermediate union structures such as Joint Service Councils, Joint Industry Councils, and State Legislative Conference Boards.

The recommended increase in the per capita tax will give us the resources we need to prepare this union for the struggles and challenges that we will confront in the next three years.

As you review our accomplishments and activities over the convention period, I ask each delegate to give careful consideration to the Committee's proposals and urge your support for these much needed changes. The future of our Union requires and the members we represent deserve no less.

ORGANIZING ACTIVITIES

While the last three years have been challenging for working families, ATU, and indeed all unions, I am pleased to report that our membership remained stable at about 192,000 throughout the last three years.

During the convention cycle, through a combination of organizing activities, affiliations and community-based campaigns, 26 ATU locals, both large and small accounted for a total of 36 victories adding some 2,800 new members to our rolls. Significantly these campaigns, reflecting significant local initiatives and international assistance included employees from the transit, school bus, over-the-road, and paratransit sectors, as well as a remarkable effort involving a unit of firefighters and service workers.
These victories, summarized in the chart below are a testament to the steely representation, and the steady and stable gains we have secured for our members over many decades. Yet, we all know we can accomplish “so much more”.

That is why, with the expanded resources of our Research and Field Mobilization Departments, we have set the stage for a more aggressive, strategic, and sustainable organizing program in the years ahead. With the wisdom that comes from lessons learned and our expanding communications capabilities, I am confident that we will be able to build on our record, continue to grow our Union, and increase our density in the sectors we represent to strengthen all of our locals.

I am especially pleased to announce that this year the Organizing Awards will be given in the memory of Gary Mauer, an international representative and ATU organizer. Gary passed away in 2010, having built a record and reputation that continues to echo throughout the Union to this day.

He was a fearless and tireless fighter for workers and their right to a union in a world free of racial and social injustice. He believed the key to successful organizing was the one-on-one meeting with workers that builds their confidence and commitment to fight for their rights at work.

A native of Bronx, NY, his unique style and voice enabled him to relate to rank and file members in the South, East and West of the United States.

At this Convention, we will be honoring the following four locals with the renamed “ATU Gary Mauer Organizing Awards” for their special achievements and commitment:

Recipients of the 2013 Gary Mauer Organizing Awards are:

Local 618 (Providence, RI): During this cycle, Local 618 successfully organized units of firefighters and service workers in Lincoln, RI, and school bus operators in Warren, RI.

Local 757 (Portland, OR): This local scored a strategic organizing victory when it picked up 160 First Transit employees providing paratransit service for TriMet. With this victory, the local now represents all of the TriMet paratransit workers.

Local 1028 (Des Plaines, IL): This local was successful in organizing a significant medical transportation unit in Chicago, IL, and a new MV unit of dispatchers, reservationists, and schedulers in Alsip, IL.

Local 1181 (New York, NY): Continuing their remarkable efforts throughout the New York metropolitan area, and notwithstanding extraordinary challenges to their membership, Local 1181 successfully organized over 1,500 school bus and paratransit operators in the five boroughs of New York.

Together, they and the other ATU locals represented in the summary below deserve our thanks and admiration for strengthening our Union and bringing hope and opportunity to literally thousands of workers and their families.

### SUMMARY OF ORGANIZING ACTIVITIES

**July 1, 2010, through June 30, 2013**

<table>
<thead>
<tr>
<th>Local</th>
<th>Employer</th>
<th>Location</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>241</td>
<td>MV (operators)</td>
<td>Melrose Park, IL</td>
<td>66</td>
</tr>
<tr>
<td>448</td>
<td>First Student, Inc. (school bus operators)</td>
<td>Ellington, CT</td>
<td>36</td>
</tr>
<tr>
<td>618</td>
<td>Like Rock Fire District (firefighters and service workers)</td>
<td>Lincoln, RI</td>
<td>31</td>
</tr>
<tr>
<td>618</td>
<td>First Student, Inc. (school bus operators)</td>
<td>Rhode Island, RI</td>
<td>19</td>
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<tr>
<td>618</td>
<td>First Student, Inc. (school bus operators)</td>
<td>Warren, RI</td>
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<tr>
<td>627</td>
<td>Southwest Ohio Regional Transit Authority (street supervisors)</td>
<td>Cincinnati, OH</td>
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<tr>
<td>714</td>
<td>Bangor Area Transit (operators)</td>
<td>Portland, ME</td>
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<tr>
<td>732</td>
<td>MV Transportation (operators)</td>
<td>Atlanta, GA</td>
<td>78</td>
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<tr>
<td>752</td>
<td>Bloomington Normal Public Transp.. System (dispatchers &amp; office workers)</td>
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<tr>
<td>757</td>
<td>First Transit (paratransit operators)</td>
<td>Portland, OR</td>
<td>160</td>
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<tr>
<td>770</td>
<td>Mobile Transit – The Wave (dispatchers, schedulers, call takers &amp; part-time clerical workers)</td>
<td>Mobile, AL</td>
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<tr>
<td>770</td>
<td>McDonald Transit Associates (clerical workers)</td>
<td>Mobile, AL</td>
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</tr>
</tbody>
</table>
RAIDS

Our locals suffered only one raid in the last three-years. That loss was the result of a campaign that began in the previous convention cycle. Immediately prior to the 2010 Convention, Teamsters Local 839 filed an election petition with the Washington Public Employees Relations Commission to represent fixed-route operators at Ben Franklin Transit in Tri-Cities, WA, who were then represented by Local 1599.

Local 1599 lost the election, and the local union was disbanded in accordance with the procedures outlined in the Constitution and General Laws.

The International Union has subsequently developed a constructive relationship with the International Brotherhood of Teamsters that has resulted in an understanding between the two that the unions, and their affiliates, will not raid each other.

As a result, the International Union has stopped raids by affiliates of the International Brotherhood of Teamsters on ATU locals in Chicago, IL; El Cajon, CA; and Harrisburg, PA. Furthermore, the International has developed a constructive relationship with the Service Employees International Union, and has stopped a raid by one of its affiliates on an ATU local in Chicago, IL.

<table>
<thead>
<tr>
<th>Local</th>
<th>Employer</th>
<th>Location</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>788</td>
<td>IL Central School Bus, LLC, d/b/a Missouri School Bus (school bus operators)</td>
<td>St. Louis, MO</td>
<td>95</td>
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<tr>
<td>836</td>
<td>Macatawa Area Express Authority (operators)</td>
<td>Holland, MI</td>
<td>51</td>
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<tr>
<td>1028</td>
<td>Jay Medicar Transportation (paratransit operators)</td>
<td>Chicago, IL</td>
<td>137</td>
</tr>
<tr>
<td>1028</td>
<td>MV Transportation (dispatchers, reservationists, and schedulers)</td>
<td>Alsip, IL</td>
<td>18</td>
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<tr>
<td>1091</td>
<td>First Transit, Inc. (operators, mechanics, service workers, dispatchers)</td>
<td>San Marcos, TX</td>
<td>75</td>
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<tr>
<td>1181</td>
<td>GVC Paratransit (paratransit operators)</td>
<td>New York, NY</td>
<td>162</td>
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<tr>
<td>1181</td>
<td>Selby Transportation (school bus operators)</td>
<td>Bronx, NY</td>
<td>290</td>
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<tr>
<td>1181</td>
<td>Selby Transportation (school bus operators)</td>
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<td>Individual Transportation Services, Inc.</td>
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<td>1181</td>
<td>MV Transportation (paratransit operators)</td>
<td>Staten Island, NY</td>
<td>257</td>
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<td>1181</td>
<td>Trans Care New York, Inc. (paratransit operators)</td>
<td>New York, NY</td>
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<td>1181</td>
<td>Pinnacle School Bus (pre-k drivers and monitors)</td>
<td>New York, NY</td>
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<td>1209</td>
<td>First Transit, Inc. (mechanics and dispatchers)</td>
<td>New London, CT</td>
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<td>1235</td>
<td>Maury County Public Transportation (operators)</td>
<td>Nashville, TN</td>
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<td>1324</td>
<td>Veolia Transportation (operators)</td>
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<tr>
<td>1433</td>
<td>First Transit, Inc.</td>
<td>Yuma, AZ</td>
<td>26</td>
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<td>1576</td>
<td>First Transit, Inc. (dispatchers, supervisors, admin. clerks, and operators)</td>
<td>Lakewood, WA</td>
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<tr>
<td>1625</td>
<td>First Student, Inc. (school bus operators)</td>
<td>Cheektowaga, NY</td>
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<td>1743</td>
<td>First Student, Inc. (mechanics)</td>
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<td>1700</td>
<td>Greyhound Lines</td>
<td>Cleveland, OH</td>
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<td>1760</td>
<td>OC Transpo and Para Transpo (supervisors)</td>
<td>Ottawa, ON</td>
<td>10</td>
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<tr>
<td>1769</td>
<td>RTA of Corpus Christi (operators, dispatchers, mechanics, clerks)</td>
<td>Corpus Christi, TX</td>
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<td>1764</td>
<td>Battle’s Transportation, Inc.</td>
<td>Washington, DC</td>
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<tr>
<td>1772</td>
<td>Veolia Transit (mechanics)</td>
<td>Englewood, CO</td>
<td>28</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>2791</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
COLLECTIVE BARGAINING

Economic data indicates that the Great Recession that followed the banking crisis of 2008 ended with the resumption of modest economic growth in the second half of 2009. However, the reality is that our economy has limped along for almost half a decade, as personal income, wages, employment and workforce participation has lagged below pre-recession figures.

The federal, state and local funding streams for public transportation and public schools have suffered throughout the last three years, even as the federal stimulus programs of 2009 – 2011, prevented a worse economic downturn. In light of these extreme, historic challenges, our local unions have responded with great determination to secure fair collective bargaining agreements and sustain our members’ hard-earned quality of life.

The continuous struggle to enforce good contracts and maintain the well-being of our members is reflected in numerous campaigns our locals fought for more funding, quality services, equal access for public transit and schools, fair wages, and decent health care provisions. Each call for service cuts or austerity measures was met by ATU demands for stronger protections and terms in our contracts.

While the external forces attempting to engineer the failure of ATU and other public sector unions during this period were greater than any time since World War II, our proud union is still standing strong. Despite all of the headwinds we faced throughout this convention period, wage increases reported by our U.S. and Canadian local unions have averaged 2.31% across all occupations.

Local and international negotiators reported 280 contract settlements during this three-year convention cycle; 252 in the United States, and 28 in Canada.

Operators

At the close of this reporting period, bus operators at Locals 241 and 308 (Chicago, IL) employed by the Chicago Transit Authority (CTA) enjoyed the highest hourly rates in the U.S. at $30.77; followed by operators at Local 587 (Seattle, WA) at King County Metro Transit with a top rate of $30.20; Local 589 (Boston, MA) operators employed by the Massachusetts Bay Transportation Authority (MBTA) with a top rate of $30.18; Local 265 (San Jose, CA) operators at the Santa Clara Valley Transportation Authority, with a top rate of $30.12; and Local 726 (Staten Island, NY) operators at the New York City Transit Authority, with a top rate of $29.95.

First year wage increases for bus operators covered by all U.S. contracts settled during this convention period averaged 1.93%. The average annual increase over the life of the agreements was 2.02%.

In Canada, Local 583 (Calgary, AB) bus operators at Calgary Transit, were at the top of the list, with a top hourly rate of $31.81; followed by Local 569 (Edmonton, AB) operators at the Edmonton Transit System, with a top rate of $31.74; Local 1572 (Mississauga, ON) operators at Mississauga Transit, with a top rate of $30.73; and Local 1573 (Brampton, ON) operators at Brampton Transit, with a top rate of $31.21.

First year wage increases for operators covered by all Canadian contracts settled during this convention period averaged 2.65%. The average annual increase over the life of the agreement was 2.52%

Paratransit services in the United States were led by Local 883 (Everett, WA) operators employed by Everett Transit who earned a top hourly rate of $26.38; followed by Local 268 (Cleveland, OH) paratransit operators who work for the Greater Cleveland Regional Transit Authority who have a top rate of $22.93; Local 843 (Bellingham, WA) members employed by the Whatcom Transit Authority, with a top rate of $22.38; members of Local 587 (Seattle, WA) at the Jefferson County Public Transportation Benefit Authority, with a top rate of $22.27; and Local 1765 (Olympia, WA) operators employed by the Grays Harbor Transportation Authority, with a top rate of $22.08.

In Canada, members of Local 113 (Toronto, ON) employed as paratransit operators by the Toronto Transit Commission (TTC) earned the highest top wage rate of $30.82. They were followed by Local 569 (Edmonton, AB) paratransit operators working for the Edmonton Transit System, with a top rate of $28.57; operators at Local 1374 (Calgary, AB) employed by the City of Red Deer, at the top rate of $27.51; Local 1189 (Guelph, ON) operators at Guelph Transit, with a top rate of $26.49; and operators from Local 279 (Ottawa, ON), with a top rate of $25.10, who are employed by the City of Ottawa.

Among school bus operators in the United States, members of Local 1181 (New York, NY) employed by 26 companies enjoyed the highest top rate of $29.66; followed by operators from Local 1181 working for Clarkstown Central School District, who earned a top hourly rate of $28.88; Half Hollows Hills Central School District, with a top rate of $26.20; Local 1336 (Bridgeport, CT) school bus operators, who earned a top rate of $24.40 at First Student; and operators from Local 1737 (Parker,
CO), employed by Croton-Harmon Union Free School District, who had a top hourly rate of $22.22.

A Canadian school bus section was excluded due to the small number of Canadian school bus units.

Among rail operators in the United States during this reporting period, the members at Local 589 (Boston, MA) employed by the MBTA had a top rate of $30.47; followed by the members of Local 1555 (Oakland, CA) employed by Bay Area Rapid Transit (BART) with a top rate of $30.22; and members of Local 587 (Seattle, WA) employed at King County Metro Transit with a top rate of $29.13.

For rail operators in Canada during this reporting period, members of Local 583 (Calgary, AB) employed by Calgary Transit had a top rate of $33.97; followed by members of Local 569 (Edmonton, AB) employed by the Edmonton Transit System with a top rate of $33.90; and the members of Local 113 (Toronto, ON) employed by TTC who had a top rate of $30.22.

Maintenance

In maintenance, Local 265 (San Jose, CA) mechanics continued to lead the industry in the U.S. with a top hourly rate of $41.60; followed by mechanics of Local 1574 (San Mateo, CA) at $36.89; Local 192 (Oakland, CA) at $35.20; Local 589 (Boston, MA) at $35.05; and Local 587 (Seattle, WA) at $34.55.

First year wage increases for mechanics covered by all U.S. contracts settled during this convention period averaged 1.94%. The average annual increase over the life of the agreements was 2.15%.

In Canada, mechanics in Local 569 (Edmonton, AB) enjoyed the highest wage rate at $46.98; followed by mechanics in Local 583 (Calgary, AB) at $44.58; Local 113 (Toronto, ON) at $37.47; Local 1573 (Brampton, ON) at $37.16; and Local 1587 (Toronto, ON) at $36.57.

First year wage increases for operators covered by all Canadian contracts settled during this convention period averaged 2.68%. The average annual increase over the life of the agreements was 2.44%.

STRATEGIC CAMPAIGNS & RESEARCH

In response to the expanding privatization of transit services and the emergence of five major companies occupying the field, the ATU Strategic Campaigns and Research Department initiated a thorough financial analysis of our five largest private employers. This is part of our ongoing effort to develop new strategies to change our relationship with these multinational corporations, and our bargaining approach on behalf of groups of locals with common employers.

The Department’s corporate, operational and financial research has been increasingly helpful in developing messaging, media and other strategies for an increasing number of community-based campaigns. We are also exploring possible capital strategies to gain leverage in these campaigns as well.

Throughout the reporting period, the Research Department provided a variety of services to our local unions, international officers, and international staff. From collective bargaining analyses and reports to research on employers and policy questions, the Department’s work supports ATU initiatives at all levels of the Union.

The Research Department continues to maintain the International’s contract database, containing thousands of current and expired ATU collective bargaining agreements from across the United States and Canada, and many contracts negotiated by other unions in the transit industry. This vital resource provides local officers with 24/7 access to information on wages, working conditions, and contract language useful to bargaining units across North America.

The Department issued the wage bulletin, employer book, and contract settlement reports on a monthly basis. Department staff were available, upon request, to assist local officers with individually tailored research on wages, benefits, and other contract provisions. This service is frequently utilized by local and international officers in support of collective bargaining, grievance arbitration, and interest arbitration.

Staff is also available to assist attorneys working with our locals. Additionally, local unions with expiring contracts are automatically issued graphic presentations of wage levels in comparable units, the wage bulletin, a collection of recent settlement reports, and strike authorization documents.

The Research Department maintained data on more than 520 revenue contracts of private companies providing transit, paratransit, or student transportation services for various public agencies across the United States and Canada. The revenue contract database is continuously updated and expanded.
ATU local unions negotiating with private contractors often contacted the Research Department to obtain their employer’s revenue contract information before initiating bargaining. The Department also regularly assisted in the acquisition of contracts that are not already on file.

In addition to collecting revenue contracts, the Department continued to expand its knowledge of the Union’s three largest private employers: FirstGroup, Veolia, and MV Transportation. Staff collected financial reports and corporate documents, and monitored developing news stories and distributed its findings through the Privatization Dispatch email newsletter.

Finally, upon request, the Research Department prepared numerous presentations and provided analysis for the ATU Restructuring Committee during its deliberations. These materials analyzed industry trends, transit system funding and expenses, and private employer and public authority finances.

STRIKES

During the three-year convention period, there were 10 job actions at ATU local unions in the United States and Canada.

On September 2, 2010, the membership of Local 1317 (Clifton, NJ) employed by DeCamp Bus Lines, Inc., went on strike after an agreement could not be reached in contract negotiations. The strike ended on September 11, 2010, when the parties agreed to a “cooling off” period and the members returned to work. However, no contract was reached and negotiations were still ongoing at the close of this period.

On November 3, 2010, the nine members of Local 1764 (Washington, DC) employed by James River Bus Lines went on strike after an agreement could not be reached in contract negotiations. The strike ended when a majority of voters in the nine-person bargaining unit of drivers voted to decertify the local union as their bargaining representative. On January 27, 2011, the strike by Local 1462 (St. John’s, NL) ended after an agreement was reached on all outstanding issues with the St. John’s Transportation Commission. The membership voted to ratify the agreement, thus ending the 12-week strike.

On October 24, 2011, the members of Local 113 (Toronto, ON) employed by Veolia Transportation, Inc. (York Region Transit-Viva Bus) went on strike when an agreement could not be reached in contract negotiations. On January 27, 2012, the strike ended after an agreement was reached on all outstanding issues and the members voted to ratify the tentative agreement by a 77% margin, thus ending the three-month strike.

On December 2, 2011, the members of Local 1229 (St. John, NB) employed by Acadian Coach Lines were locked out when an agreement could not be reached in contract negotiations. On May 16, 2012, the lockout ended after an agreement was reached on all outstanding issues with Acadian Coach Lines. The membership ratified the agreement by a 90% vote, thus ending the five-month strike, but the employer ceased operation of the service on November 30, 2012.

On October 24, 2011, the members of Local 1587 (Toronto, ON) employed by First Transit Canada and Miller Transit (York Region Transit) went on strike when an agreement could not be reached in contract negotiations. On January 28, 2012, Local 1587’s strike against Miller Transit ended after an agreement was reached on all outstanding issues with that employer. The membership ratified the agreement by an 80% vote, thus ending the three-month strike. However, First Transit Canada lost its service contract with York Region Transit to Tokmakjian Group (TOK Transit, Ltd.).

On February 2, 2012, the members of Local 508 (Halifax, NS) employed by Halifax Regional Municipality Metro Transit went on strike when an agreement could not be reached in contract negotiations. Thereafter, on March 14, 2012, the strike by Local 508 ended after an agreement was reached on all outstanding issues. The membership ratified the agreement by a vote of 577 to 74, thus ending the six-week strike.

On Wednesday, June 27, 2012, the Codiac Transit Commission (CTC) locked out 90 members of Local 1290 (Moncton, NB) when an agreement could not be reached in contract negotiations. On November 27, 2012, the local union and CTC reached a tentative agreement to end the lockout. The membership overwhelmingly ratified the agreement ending the five-month dispute.

On March 11, 2012, members of Local 1433 (Phoenix, AZ) employed by Veolia Transportation, Inc. (Valleymetro Phoenix), went on strike when an agreement could not be reached in contract
negotiations. On March 15, 2012, the strike by Local 1433 ended after an agreement was reached on all outstanding issues. The membership ratified the agreement by a vote of 397 to 15, thus ending the six-day strike.

On January 16, 2013, Local 1181 (New York, NY) employed by multiple employers under contract to provide special education bus service with the New York City Department of Education went on strike when New York City (NYC) Mayor Michael Bloomberg and NYC Schools Chancellor Dennis Walcott decided to eliminate employee protection provisions in the request for proposals for 1,100 bus routes for special needs students that ensures the most experienced, well-trained operators and matrons are on the job.

ATU offered to negotiate with the city, but the mayor and the chancellor refused to bargain. After five weeks standing strong on the picket lines, and with Mayor Bloomberg not running for office, the school bus drivers and matrons decided to go back to work after the candidates running for mayor “pledged, if elected, to revisit the school bus transportation system and contracts and take effective action to insure that the important job security, wages and benefits of your members are protected within the bidding process.”

### PERCENTAGE OF ATU CONTRACTS SETTLED WITHOUT A STRIKE

**July 1, 2010, through June 30, 2013**

#### UNITED STATES

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Settlements</th>
<th>Number of Strikes</th>
<th>% of Contracts Settled Without a Strike</th>
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<tr>
<td>2010</td>
<td>37</td>
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<td>94.6%</td>
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<tr>
<td>2011</td>
<td>98</td>
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</tr>
<tr>
<td>2012</td>
<td>70</td>
<td>1</td>
<td>98.6%</td>
</tr>
<tr>
<td>2013</td>
<td>47</td>
<td>0</td>
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</tr>
<tr>
<td>Total</td>
<td>252</td>
<td>3</td>
<td>98.3%</td>
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</table>

#### CANADA

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Settlements</th>
<th>Number of Strikes</th>
<th>% of Contracts Settled without a Strike</th>
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<tbody>
<tr>
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<td>0</td>
<td>100.0%</td>
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<tr>
<td>2013</td>
<td>3</td>
<td>0</td>
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<tr>
<td>Total</td>
<td>28</td>
<td>6</td>
<td>83.3%</td>
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</table>
ARBITRATION

ATU continues to advocate arbitration as the preferred method for resolving disputes between our locals and their employing companies. As the last step in the grievance procedure, final and binding arbitration is a standard provision in virtually all of our collective bargaining agreements.

In cases of contract (interest) disputes, locals are required under our Constitution and General Laws, as they have been since the very beginning of our Union, to offer interest arbitration before any strike sanction is granted by the International. This policy, designed to limit the number of work stoppages in the transit industry, has been quite successful over the years as shown by the relevant statistics.

98.3% of our contract negotiations in the U.S. and 83.3% in Canada were settled without a strike during this convention period. In total 96.8% of all ATU contracts were settled without a strike.

Grievance arbitrations decide a wide range of issues each year arising from the interpretation and application of our labor contracts, including provisions concerning subcontracting, accidents, benefit entitlements and past practices, as well as discipline and discharge matters. We continue to maintain a growing inventory of grievance and interest arbitration awards, which can be accessed directly by any local union through the ATU website.

I am taking this opportunity to renew our ongoing request that all local unions forward their arbitration awards, regardless of outcome, to the International for inclusion in our database. These awards serve as an invaluable resource for citing case precedents, avoiding previous pitfalls, selecting or rejecting arbitrators, and determining the arbitrability of the underlying issues.

We also invite locals to evaluate arbitrators’ fairness and to advise us whether they would choose a particular arbitrator again.

Defense Fund Arbitration & Fact-Finding Assistance

Almost since our founding, voluntary interest arbitration has been a philosophical underpinning of ATU. We have consistently maintained this principle, in good times and bad, and we continue to believe that the third-party determination of new labor contracts through arbitration is a better alternative than a strike when, despite good faith bargaining, a negotiation impasse is reached.

In recent decades, of course, there have been several concerted attempts by management and public officials to excise interest arbitration provisions from our Section 13(c) agreements and/or from local legislation mandating the use of such dispute settlement procedures. In the U.S. then, the interests of a significant number of our local union memberships are subject to some form of fact-finding, which results in non-binding recommendations in lieu of, or prior to, interest arbitration.

Section 19.2 of the Constitution and General Laws provides financial assistance from the Defense Fund for “any legitimate and necessary arbitration and fact-finding expenses incurred... in any labor dispute over the making of, or terms to be included in, a new working or pension agreement, or renewal thereof...” Under the formula established in that provision, the maximum amount of financial assistance available to any of our local unions for arbitration assistance, in lieu of strike benefits, is not to exceed “seventy-five percent (75%) of the amount of the local’s per capita tax payment for the [covered] membership . . . for the two (2) preceding calendar years, or eighteen thousand dollars ($18,000) whichever is larger.” For fact-finding assistance, the amount “shall not exceed twenty-five (25%) of the amount of the local’s per capita tax payment... for the two (2) preceding calendar years, or five thousand ($5,000), whichever is larger.”

SECTION 19.2 ASSISTANCE FOR ARBITRATION OR FACT-FINDING OF NEW OR RENEWAL WORKING PENSION AGREEMENTS

July 1, 2010, through June 30, 2013

<table>
<thead>
<tr>
<th>Date</th>
<th>Local</th>
<th>Total Active Membership</th>
<th>Amount Paid Under 19.2</th>
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<td>553</td>
<td>$5,000.00</td>
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<tr>
<td>11/12/10</td>
<td>558 (Shreveport, LA)</td>
<td>82</td>
<td>$8,254.78</td>
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<tr>
<td>01/26/11</td>
<td>1384 (Olympia, WA)</td>
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<td>$15,000.00</td>
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ATU 401(k)/457
RETIREMENT PROGRAMS

ATU has continued to see growth and expansion in the ATU National 401(k) Pension Plan, the ATU Local Union Officers and Employees 401(k) Retirement Plan, the ATU Section 457 Deferred Compensation Plan, and the ATU Governmental Profit Sharing Plan.

The ATU-sponsored retirement plans were developed to provide our members with an additional means of saving for retirement with a low-cost plan that is easy for employers to adopt with a diverse selection of investment options for participants. We have provided high-quality administrative support in these plans for a minimal quarterly fee. Members receive quarterly account statements, and have access to their accounts through a dedicated toll-free telephone number and a website.

This three-year reporting period saw a continued increase in the number of employers who have adopted one of the ATU-sponsored retirement programs. Fourteen fewer employers participated in the programs at the end of this reporting period, bringing the total number of employers to 121 as of June 30, 2013.

Although the number of employers participating in the programs decreased slightly, the plans have seen an unprecedented growth in participants and assets. In the past three years, the number of employees investing in the ATU-sponsored retirement plans increased by more than 17%, with 5954 employees participating in the plans and investing assets totaling more than $95 million – a nearly 48% growth in assets.

<table>
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<tr>
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Note: Amounts paid is U.S. funds
We anticipate that the level of participation in these retirement plans will continue to increase over the coming years, thereby providing a greater level of future retirement security for our members.

SECTION 13(c) ADMINISTRATION ASSISTANCE

During this convention cycle, the International Union continued to assume primary responsibility for the ongoing implementation and enforcement of the employee protection provisions of the Federal Public Transportation Act, which are currently set forth as Section 5333(b) of the U.S. Transportation Code but are more commonly known as “Section 13(c).”

During these three years, considerable effort was devoted to administrative matters and grant processing especially in light of numerous state attacks on public sector collective bargaining rights, as well as enforcement actions.

The volume of work required to manage FTA grant applications remained steady during these three years. However, there was a decrease in the total number of grants processed compared to the prior 2007 – 2010 reporting period. Part of this decrease is attributable to objections filed by the International and other transit unions to a state law passed in California, the Public Employees’ Pension Reform Act of 2013, AB 340 (Furutani), Stats. 2012, Chapter 296 (PEPRA).

As of the date of this report, there are more than 75 California grants which have not been fully processed because they are pending before the Department of Labor as a result of our objections challenging the impact of PEPRA on collective bargaining agreements and our right to collective bargaining over pension benefits.

The “routine” element of our undertakings involved the careful review of an enormous number of grant applications – 3,561 in total – many of which came in the form of consolidated funding requests for numerous entities, which thereby actually implicated a variety of distinct protective arrangements. The International dutifully undertook this substantial responsibility to safeguard our members on behalf of over 190 ATU local unions.

During this convention cycle, we saw the previously enacted Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (Public Law 109-59) (SAFETEA-LU) – the federal funding and authorization bill that governed U.S. surface transportation spending – expire on September 30, 2009. The measure contained a host of provisions and earmarks intended to improve and maintain surface transportation infrastructure in the United States, including transit systems around the country.

Congress renewed its funding formulas 10 times after its expiration date, until replacing the bill with the Moving Ahead for Progress in the 21st Century Act in 2012 (MAP-21). MAP-21 is a two-year bill that does not significantly alter total funding from the previous authorization.

In the prior reporting cycle, a stimulus bill known as the American Recovery and Reinvestment Act of 2009 (ARRA) was passed under President Barack Obama in 2009. ARRA included an $8.4 billion boost for transit capital improvement projects administered by the Federal Transit Administration and governed by Section 13(c).

The economic stimulus funding which greatly impacted the Legal Department’s workload during the last reporting cycle gradually dwindled in this reporting period as only about 50 ARRA applications were reviewed by the Legal Department – a stark contrast to the nearly 600 ARRA applications reviewed in the previous cycle.

Unified Protective Arrangement Modified Following ATU Objections

As reported in the prior cycle, the U.S. Department of Labor (DOL) drafted new grant processing procedures to comport with changes implemented in 2005 through SAFETEA-LU. The DOL’s guidelines required that, in the vast majority of cases which use an operating or capital arrangement as the basis for certification, employee protections be grounded in a new Unified Protective Arrangement (UPA).

The application of the UPA continued to be compelled in several instances, including the cases of first-time applicants with no prior applicable arrangements, and in circumstances that involved ATU members who were not previously within the operation area of a prior grant recipient that was expanding its operations.

Because the Department of Labor extended and applied the terms and conditions of the UPA in connection with certain grant applications, we continued to file objections to the DOL’s UPA and petitioned for modifications to those standardized terms during this convention cycle.
More specifically, in our frequently lodged objections to the UPA, we vigorously challenged the DOL’s ongoing refusal to declare the funding recipient(s) and interested union(s) formal parties to the UPA, an omission that we fear may lead to potential enforcement issues. Under the UPA, employees in the service area of the project would be considered “third-party beneficiaries” of the employee protective provisions as referenced in the funding contract between the U.S. Department of Transportation (DOT) and the grantee.

Our objection to the DOL’s effort to avoid the inconvenience of specifically naming the relevant parties in the document stemmed from a fear that if no individual or entity were a party to the arrangement, it could be difficult to establish the legal standing necessary to enforce the protections in state court as intended by the U.S. Supreme Court in *Jackson Transit Authority v. Local Division 1285, ATU*, 457 U.S. 15, 29 n.13 (1982).

After rather summarily dismissing our objection on this point numerous times before and during the last convention cycle, the DOL finally altered its routine certification language on January 3, 2011, to avoid the problems we had perceived.

More specifically, the DOL’s certifications as well as the UPA now clarify that transit employees are also third-party beneficiaries to the Section 13(c) arrangements incorporated in any subsequent contracts of assistance between the grantee and any sub-recipient, which is separate and distinct from the contracts of assistance between the Federal Transit Administration (FTA) and the grantee.

As a result of our efforts, the agency has now instituted several changes over the years to its certification language and the UPA that effectively acknowledge the validity of our concerns and adequately address the shortcomings of the arrangement.

Section 13(c) Proceedings before the DOL to Enforce ATU Members’ Rights

In prior convention cycles, extensive Section 13(c) proceedings before the Department of Labor typically involved management attacks on previously-accepted interest arbitration rights, the scope of re-employment rights afforded to workers harmed as a result of federal assistance, or the most appropriate language for a “successors and assigns” clause.

But we witnessed a disturbing trend in the last convention cycle in which public bodies and private management companies sought to avoid their statutory obligations entirely through arguments that they were not bound by the employee protection requirements at all. These issues persisted throughout the convention cycle.

In addition, during this convention cycle, we observed another unprecedented trend in which public sector collective bargaining rights were attacked in Massachusetts, Wisconsin, Ohio, Michigan, New Jersey, and California. As a result, the Legal Department took a very active role and devoted significant resources toward monitoring and enforcing Section 13(c) rights in the face of the legislative attacks on public sector collective bargaining rights in various states.

**Colorado Springs, CO**

We petitioned the Department of Labor to clarify terms in its certification of City of Colorado Springs, CO, grants, as the DOL’s proposed certification language failed to specifically bind the city to the dispute resolution process for disputes concerning the provisions of the Section 13(c) agreement itself. This is problematic because it is contrary to the DOL requirement that all protective arrangements must include a mechanism for settling disputes of the arrangement that is assumed by both the public body and its contractors.

Following several objections explaining the deficiency in the certification terms, the DOL finally agreed with our position and admitted that the language as drafted could be interpreted too narrowly. The DOL, then, issued a technical clarification to its certification to address this issue that met our request.

**Oakland, CA**

In an attempt to strip the right to submit their labor disputes to binding arbitration from employees represented by Local 192, AC Transit sought to have the DOL excise the interest arbitration provision from its certification terms.

Although AC Transit argued that the public body faced tough financial constraints and public employees have the right to strike in California, we rebuffed such arguments as failing to present justifiable reasons for the DOL to modify its prior certifications terms under the Section 13(c) guidelines. In fact, we pointed out, and the DOL agreed, that AC Transit employees’ right to strike had already been affirmed prior to the execution of their Section 13(c) Agreement.
In response to the claim regarding the transit authority’s financial struggles, the DOL also agreed with our position that this cannot be the basis for excising a provision from a mutually negotiated employee protective agreement that both parties acceded to but is now disfavored by one party. Accordingly, the DOL did not act on AC Transit’s request and the interest arbitration provision remained fully intact in the Section 13(c) agreement.

Cleveland, OH

We petitioned the DOL to clarify in its certification terms addressing Greater Cleveland Regional Transit Authority (GCRTA) grants, the applicant’s obligation to submit its current labor disputes about making a new collective bargaining agreement, to interest arbitration.

We argued that the DOL retained jurisdiction where the applicant’s authority or willingness to abide by a provision of the applicable Section 13(c) agreement is diminished – including the applicability of the interest arbitration provision. We further provided the DOL with correspondence between GCRTA and Local 268 (Cleveland, OH) demonstrating GCRTA’s refusal to abide by the interest arbitration provision in its Section 13(c) agreement.

Unfortunately, the DOL responded that, while a current dispute exists concerning the application of the interest arbitration procedure in the applicable Section 13(c) agreement, there is a set of procedures available for the solution of this issue. Accordingly, ATU was forced to seek a state court action compelling GCRTA to submit to interest arbitration.

Waukegan, IL

In a successful attempt to change the certification terms addressing Regional Transportation Authority, Suburban Bus Division (PACE) grants in Illinois, the Legal Department filed objections based on our assertion that the current certification terms were no longer fair and equitable because the parties were unable to proceed with the certified dispute resolution procedures.

More specifically, we took issue with the language of the applicable Section 13(c) agreement because it required the parties to obtain a certification of impasse from a mediator as a prerequisite for invoking fact-finding and/or interest arbitration.

By way of background, after two years of Federal Mediation and Conciliation Service (FMCS) mediation, ATU Local 900 (Waukegan, IL) and PACE were unable to secure from the FMCS a certification of impasse because it was their general policy not to issue any comments on an ongoing matter.

Moreover, although the Section 13(c) agreement allowed for an FMCS or state mediator from the Illinois Department of Labor (IDOL) to issue the certification, PACE initially refused to submit to IDOL mediation. Given these circumstances, the DOL ruled on our objections, finding that the current language of the parties’ Section 13(c) agreement no longer satisfies Section 13(c), and alternative employee protections were required.

The DOL ordered the parties to engage in good faith negotiations and discussions, but the parties were unable to find a mutually acceptable resolution regarding the impossibility of obtaining a certification of impasse. The parties were then directed by the DOL to submit written briefs covering the issues still in dispute.

In our final proposal, we advocated for the DOL to replace the certification of impasse requirement with language prescribing a time limit, not to exceed 60 days, during which the parties must seek resolution of a dispute by mediation, unless otherwise mutually extended or either party invokes fact finding.

Our position was supported by the fact that the DOL consistently set time limits for determining when fact finding would begin and that a 60 day period for mediation provides a sufficient amount of time for bargaining, eliminates the roadblock to resolving the current dispute, minimizes delay, and prevents the mediator from controlling when the parties can proceed to fact finding.

PACE, on the other hand, argued that the language should remain unchanged because PACE was now suddenly willing to proceed with IDOL mediation, and the current language has been certified for more than 30 years as it mirrors state law.

The DOL, however, was not persuaded by PACE’s arguments and ruled that “fair and equitable” protections in these circumstances require the DOL to put in place a procedure that provides for a conclusion to mediation and permits either party to invoke fact finding.

Accordingly, the DOL ruled in ATU’s favor, and included as an appendix to its certifications striking the current language in the Section 13(c) agreement that requires a certification of impasse. As a result, the parties are now only obligated to engage in a mediation period of 90 days before either party can invoke interest arbitration.
Sioux Falls, SD

Our Legal Department responded on behalf of Local 1356 in response to the City of Sioux Falls's objections to the DOL which sought to evade being bound by its Section 13(c) agreement, which was originally entered into on August 28, 1979.

The City of Sioux Falls petitioned the DOL to apply the terms and conditions of the DOL-drafted and created Unified Protective Arrangement (UPA). The reason for the city’s petition to change Section 13(c) protections undoubtedly stemmed from the fact that the 1979 Section 13(c) agreement explicitly contained a provision allowing either party to go to interest arbitration; the UPA does not explicitly have such a provision.

Our position was that under the DOL’s own Section 13(c) guidelines, it was not proper for the DOL to apply UPA protections where there is a signed, negotiated settlement. The city simply failed to provide any basis for justifying the inapplicability of the 1979 Section 13(c) Agreement. Moreover, the DOL has consistently applied the 1979 Section 13(c) agreement where the city has sought capital assistance and there was also justification for altering the protections.

The DOL in its ruling agreed with us and stated that the application of the UPA would be improper here under the Section 13(c) guidelines and inconsistent with the DOL’s past action of applying the 1979 Section 13(c) agreement. Therefore, the DOL found that the city failed to raise a sufficient objection and continued to certify on the basis of the 1979 Section 13(c) Agreement.

Despite our efforts with the DOL, the city took additional measures and filed a court action on July 6, 2011, against Local 1356 seeking a declaratory judgment that the interest arbitration contained in the Section 13(c) agreement does not require the city to address any matter involving the wages and benefits of the Sioux Area Metro transit system (SAM) employees or other SAM operating expenses.

As explained more fully below, the judge opined that because the current disputes over employees’ compensation and benefits are paid with operating assistance funds, the 1979 Section 13(c) agreement (including Paragraph (9) interest arbitration) does not apply to the current dispute over the making of a new collective bargaining agreement.

Because we believed the court’s ruling here ran afoul of DOL’s long-standing policy and the legislative intent, we filed objections to a pending Sioux Falls grant before the DOL. We specifically argued that imposing a nexus/causal connection requirement between the federal project and the city’s obligation to preserve the collective bargaining rights of its employees is contrary to DOL precedent.

The court’s holding is, moreover, contrary to the plain language of Paragraph (9). In short, the application of the dispute resolution procedure in Paragraph (9) is not conditioned on the local union proving that the labor disputes arose “as a result of the project”.

Unfortunately, in a rather cursory response to our objections, the DOL determined that because SuTran is a private employer and its employees have the right to strike, that right is a sufficient dispute resolution procedure to ensure the continuation of collective bargaining rights as required by Section 13(c).

Indeed, in a rather disappointing outcome, the DOL went on to state that it took no issue with the court’s finding to the extent that such findings are limited to the specific facts of that particular case. The impact of this decision will make it very difficult for the local union to successfully invoke interest arbitration in the future.

Dallas, TX

Following an adverse decision by the Texas Supreme Court as explained in more detail below which we believed rendered the dispute resolution process in the Section 13(c) arrangement ineffective and unenforceable, the ATU was compelled to seek additional safeguards from the DOL in its Section 13(c) certification process of Dallas Area Rapid Transit (DART) grants.

As reported in previous convention cycles, in 2001, Local 1338 (Dallas, TX) filed a breach of contract suit in state court against DART to enforce the 2002 resolution. The case ultimately reached the Supreme Court of Texas. That court found that Section 13(c) does not preempt DART’s immunity under Texas state law from the lawsuit brought by Local 1338.

Following the U.S. Supreme Court’s denial of the Union’s writ of certiorari, we took action and filed objections before the DOL alleging that the Section 13(c) arrangement, as interpreted by the Texas Supreme Court, gives Local 1338 only a right to engage in a merry-go-round charade with no real enforcement of any agreement reached by the parties following completion of the dispute resolution process in the Section 13(c) arrangement.

Although we contended that, if DART is to receive federal funds in exchange for agreeing to protective
provisions, it is fundamental that the union must have the unequivocal right, without immunity challenge, to seek to enforce agreements which are entered into, pursuant to the Section 13(c) arrangement, the DOL did not agree.

Unfortunately, after filing extensive briefs on the issue, the DOL found that the Texas Supreme Court ruled that a suit to enforce the grievance resolution did not equate to a suit to enforce provisions of the Section 13(c) arrangement. Additionally, the DOL noted that the court found that the Section 13(c) arrangement did not preempt DART’s governmental immunity from suit to enforce the resolution.

In short, the DOL agreed with the Texas Supreme Court and proceeded to issue a certification because DART has not declared and did not declare itself immune from the suit in regard to enforcement of the protective arrangements, including the pursuit of disputes over the interpretation, application, or enforcement of the protective arrangement.

Therefore, despite our efforts to otherwise persuade the DOL, the agency continued to certify the general grievance procedure as satisfying Section 13(c) requirements.

Austin, TX

On behalf of Local 1091, we were further compelled to object to the DOL’s proposed certification terms addressing Capital Metropolitan Transportation Authority (Capital Metro) grants in September 2011, because of the passage of Senate Bill 650, which requires Capital Metro to competitively bid out all work performed by StarTran, including the vast majority of its transit services.

StarTran is a private, nonprofit corporation organized by Capital Metro in 1991, to comply with Section 13(c) as Texas state law prohibits collective bargaining with public employers. Subsequent to the passage of SB 650, Capital Metro made several representations that in order to effectuate the mandate of SB 650 it would bid competitively to a private contractor without any assurances of the continuation of all the existing terms and conditions of employment, contrary to Section 13(c) carry-over rights that flow from a federally funded acquisition.

As a result, ATU filed objections requesting the DOL to confirm that, because a federally funded acquisition occurred in Austin in 1972, employees are guaranteed continued employment with any new contractor under the extant terms and conditions.

The Department ultimately sided with the Union confirming that a federally funded acquisition took place in 1972. Consequently, the DOL unequivocally stated that Capital Metro is responsible for ensuring that any subsequent contractor is bound by the Section 13(c) protections and full carry-over rights apply to the successor contractor. In order to enforce this, however, ATU was forced to proceed to arbitration with Capital Metro as explained more fully below.

**ATU Defends against State Legislative Attacks on Collective Bargaining Rights**

**Massachusetts**

In response to the Massachusetts legislature enacting amendments to the Massachusetts Bay Transportation Authority’s enabling statute that abolished the health care plan for MBTA employees, the Department filed objections on behalf of Local 589 (Boston, MA) to the DOL’s proposed certification action alleging this law violated MBTA’s Section 13(c) obligation to preserve their collective bargaining rights.

More specifically, the new amendment dictated that the health care coverage of all active employees and MBTA retirees be transferred to a plan administered by the state’s General Insurance Commission (GIC). This group insurance would now be solely determined by the GIC and therefore health care benefits could no longer be a subject of collective bargaining.

As a result of failed attempts to seek declarative and injunctive relief in the Commonwealth of Massachusetts Superior Court, ATU was left with no choice but to bring to the DOL’s attention that the new law precludes the Department from issuing its standard certification terms because it removes mandatory and/or traditional subjects of collective bargaining from the consideration of the parties in violation of Section 13(c).

The Department, then, directed the parties to negotiate and seek a mutually acceptable resolution of the issues concerning the continuation of collective bargaining between MBTA and the labor organizations representing its employees.

Following several negotiation sessions, the parties successfully reached an agreement on August 17, 2011, requiring the parties to negotiate and create a Health and Welfare Trust Plan that would provide benefits and coverages supplementary to those provided by the GIC.

Moreover, following the parties reaching the
settlement agreement, the Massachusetts legislature passed an amendment confirming the authority of the MBTA to collectively bargain over the establishment of the plan. Based on these actions, the DOL was able to continue certifying MBTA grants.

**Ohio**

On March 31, 2011, Ohio Governor Kasich signed into law Senate Bill 5 that (among others) limited the collective bargaining rights of public employees to wages only and excluded health care, sick time, or pension benefits. Before its repeal by referendum in November 2012, ATU took action and submitted to the DOL that the impact of this new law appeared to have limited the scope of mandatory subjects of collective bargaining in violation of Section 13(c).

The Department, however, noted that the current Ohio law contains requirements similar to those found in federal transit law and appeared to preserve county and regional transit authority’s ability to preserve collective bargaining rights.

The DOL thus required all public transit systems in Ohio to provide assurances that they retained authority to continue collective bargaining and abide by their applicable Section 13(c) agreement. The DOL assured ATU that it would consider objections at such time as the public transit systems’ authority or willingness to abide by any provisions of the Section 13(c) agreements diminishes.

Although our efforts preserved collective bargaining rights for public sector ATU members, as noted above, SB 5 was ultimately defeated.

**Wisconsin**

The Legal Department sought to protect the Section 13(c) rights of ATU-represented public employees in Wisconsin in light of the passage of *Wisconsin Act 10* on March 11, 2011, which included provisions that (among others) limit collective bargaining to wages only, cap future wage increases to the consumer price index, require that wages above CPI be approved under public referendums, limit future contracts to one year, freeze wages until contracts are ratified, and bar employers from collecting union dues. ATU filed objections before the DOL on the basis that W.A. 10 violated the city’s Section 13(c) obligations.

Subsequently, in response to our objections, the state passed a budget bill, which included an amendment that exempts public transit employees from W.A. 10. In fact, the Wisconsin Department of Administration issued an official statement on June 30, 2011, confirming that *Wisconsin Act 32* indeed exempted transit workers from W.A. 10. Based on the passage of W.A. 32, then, the DOL proceeded with its certification for transit properties in Wisconsin but reminded the grantees of federal assistance that failure to maintain their Section 13(c) assurances may subject them to legal action.

**New Jersey**

Among other state legislative attacks on public sector employees, the Department also petitioned the Department of Labor to examine whether New Jersey’s Public Law 2011, Chapter 78, prevented New Jersey Transit from complying with Section 13(c).

On behalf of our locals which comprise the New Jersey State Council, we brought to DOL’s attention to this new law that makes various changes to health care benefits, including a mandate that all active employees pay a certain percentage of their health benefits, depending on salary level and coverage.

After receiving our objections, the DOL requested clarification from the State of New Jersey on the effect of Public Law 2011, Chapter 78, on health care benefits and bargaining over those benefits. In response, the assistant attorney general for the State of New Jersey, provided assurances that the new law’s mandated health care contribution levels do not apply to New Jersey Transit employees. Thus, the DOL determined that New Jersey Transit remained eligible for federal funding.

**Michigan Financial Manager Laws**

Another attempt to curtail public sector collective bargaining rights came from Michigan. Initially, Michigan passed the *Local Government and School District Fiscal Accountability Act*, Public Act 4, which allowed the gubernatorial appointment of an emergency manager, in the event of a local government financial emergency, who was given the authority to reject, modify, or terminate any or all of the terms of existing public employee collective bargaining agreements.

Under P.A. 4, on April 5, 2012, the City of Detroit entered into a *Financial Stability* (consent) Agreement (FSA) with the State of Michigan pursuant to this law in lieu of the appointment of a financial emergency manager. The consent agreement ceded control over the city’s finances to a nine-member Financial Advisory Board (FAB) in lieu of the appointment of an emergency manager.
Before the repeal of P.A. 4 by Michigan voters in November 2012, we filed objections to Detroit DOT (DDOT) grants contending that the consent agreement excuses the City of Detroit from the statutory duty to bargain collectively with employees represented by Local 26 as required in under state law, M.C.L. 423.215(1), and that Section 13(c) mandates the inclusion of various provisions contained in Annex D of the consent agreement in collective bargaining agreements without negotiating over those provisions.

To remedy this issue, the FAB executed a resolution dated September 10, 2012, which exempted DDOT employees covered by Section 13(c) from the limitations on collective bargaining contained in the FSA. In addition, DDOT promised it would not refuse to bargain over any mandatory subject of collective bargaining with its employees covered by Section 13(c). On this basis, the DOL found that DDOT remained eligible to receive federal transit funds in light of P.A. 4.

As noted above, however, Michigan voters rejected P.A. 4 in November 2012. As a result of the repeal of P.A. 4, the prior financial manager act, P.A. 72, was reactivated and was applicable to the City of Detroit until P.A. 436 (which was signed by the governor on December 28, 2012) took effect on March 28, 2013. In light of the applicability of P.A. 72 and P.A. 436 on DDOT, the ability of DDOT to comply with Section 13(c) was put into question once again.

To overcome any doubt of DDOT’s ability to continue to comply with Section 13(c) requirements, by a letter dated April 12, 2013, the DOL directed the City of Detroit, ATU and AFSCME to engage in good faith negotiations.

On May 28, 2013, ATU and the City of Detroit reached a supplemental employee protection agreement. This agreement includes provisions providing for dispute resolution in the event of a failure to bargain charge.

Further, the parties agreed that the City of Detroit’s financial manager holds the authority to provide assurances of DDOT’s ability to bargain collectively with its transit unions. The terms and conditions of this agreement satisfied Local 26 (Detroit, MI) and enabled DDOT to remain eligible for federal transit funds.

**Michigan Public Act 54**

On June 8, 2011, Public Act 54 took effect, requiring public employers to freeze wages and benefits after the expiration date of the applicable collective bargaining agreement, thereby precluding collective bargaining over (among others) retroactive wages. Additionally, P.A. 54 mandates that employees bear any increased costs of maintaining health care or other insurance benefits under the collective bargaining agreement during the time between the date of the expired agreement and the date of a successor agreement.

After lodging objections with the Department of Labor, the DOL determined that public transit employers subject to P.A. 54 could not remain eligible for federal funding unless supplemental protective arrangements are developed. In other words, under Section 13(c), a state may not take action that fails to preserve and protect employee rights incorporated into the parties’ protective arrangements and continue its eligibility for receipt of federal transit funds.

The DOL reasoned that the duty to collectively bargain in good faith with represented employees is widely recognized as including an obligation to maintain the status quo of the terms and conditions contained in collective bargaining agreements even after the expiration of those agreements. The enactment of P.A. 54, however, permits public employers to unilaterally implement changes to terms and conditions of employment at the expiration of an agreement, thereby diminishing the public employer’s obligation to maintain the status quo, which is part of its obligation to continue and preserve collective bargaining under Section 13(c).

Thus, the DOL directed public transit employers and various ATU local unions in Michigan to engage in good faith negotiations/discussions to seek a mutually acceptable resolution of the issues concerning the continuation of collective bargaining under 49 U.S.C. 5333(b) in light of P.A. 54.

The Legal Department devoted a substantial amount of time and resources to develop supplemental Section 13(c) protective terms and conditions through negotiations with the Detroit Department of Transportation, the City of Battle Creek, the Capital Area Transportation Authority, the Interurban Transit Partnership, the Jackson Transportation Authority, the City of Kalamazoo, Eaton County, and the Suburban Mobility Authority for Regional Transportation.

During this convention cycle, we were able to secure additional protections for our Michigan locals. One of the key features of these supplemental arrangements is a requirement that public transit bodies enter into collective bargaining agreements of limited duration that incorporate the terms of the expired agreement so that the status quo can be preserved prior to impasse being reached.
Michigan Public Acts 63 and 152

We continued to file numerous objections to Michigan state laws that violated Section 13(c) requirements during this reporting period which included Public Act 63 and Public Act 152.

Public Act 152, known as the Publicly Funded Health Insurance Contribution Act, requires all public employees to pay a certain percentage of the overall cost of purchasing health insurance effective January 1, 2012, or, if employees are covered under a collective bargaining agreement, the bill would apply after the collective bargaining agreement expires. This new law, however, contained an opt-out provision whereby a local unit of government could exempt itself from the requirements of the law for the next succeeding year by a two-thirds vote of its governing body. Another two-thirds vote would be required of the governing body to extend an exemption to a new year.

We filed objections to pending grants from Michigan transit bodies regarding the impact of this law on its continued eligibility for federal transit assistance under Section 13(c). More specifically, we argued that a state may not take action that fails to preserve and protect employee rights incorporated into the parties' protective arrangements and continue its eligibility for receipt of federal transit funds.

We further requested that the transit bodies opt-out and exempt themselves from the requirements of the law. Subsequently, during this period, all of Michigan’s ATU-represented transit systems exempted themselves from the law except for the City of Kalamazoo. The City of Kalamazoo, by letter dated May 29, 2013, provided assurances that it would not impose the strict provisions of P.A. 152. Based upon these assurances, on June 17, 2013, the Department certified a grant for the City of Kalamazoo and announced its decision to continue to monitor it for compliance and eligibility for federal transit assistance.

Additionally, the Legal Department filed objections following the passage of Public Act 63 of 2011, which became effective on June 21, 2011. Section 950 thereof, “Revenue Sharing,” provides optional revenue sharing (economic vitality incentive program) for cities, villages, and townships.

Under Section 951(2), in order to qualify for this incentive, city departments will need to meet one of three requirements under subsections (3)(a), (b), or (c). One of these requirements, known as “Category 3,” included certain employee concessions as follows: 1) limiting/capping annual employer contributions for new hires eligible for retirement plans; 2) setting a maximum multiplier for defined benefit pension plans; and 3) establishing a minimum employee share of 20% for new hires for health care premium costs.

After lodging objections with the DOL regarding Public Act 63, we noted that a transit authority is not subject to Public Act 63 as a transit authority is not a city, village or township. Therefore, we requested the DOL to require only city transportation providers in Michigan to assure that they will not elect Category 3 under Public Act 63 in order to receive incentive payments. We have obtained such assurances during this convention cycle from the Detroit Department of Transportation and the City of Battle Creek.

In addition, the Capital Area Transportation Authority provided assurances by letter dated June 11, 2012, that it will continue to bargain collectively with ATU and will not elect Category 3 funding under Public Act 63.

California

On September 12, 2012, California Governor Jerry Brown signed the Public Employees’ Pension Reform Act of 2013, AB 340 (Furutani), Stats. 2012, Chapter 296 (PEPRA), which applied to certain public employers and public pension plans on and after January 1, 2013. Among other mandates, the new pension reform law requires certain public employers to unilaterally implement changes to retirement benefits without first bargaining with their employee representative(s) by (among others) raising the minimum retirement ages and reducing pension benefits for new public employees; imposing new formulas for calculating pensions for new public employees; imposing various measures designed to avoid pension spiking; and adjusting the compensation cap annually and requiring certain contributions from employees to equal to one-half of the normal costs of the plan.

This new law only exempts the University of California and stand-alone, independent requirement plans offered by charter cities and counties that do not participate in the CalPERS or the 1937 Act-County Requirement System requirements.

Following the passage of PEPRA, the Legal Department undertook careful analysis of the impact of PEPRA on California transit agencies’ ability to comply with Section 13(c) requirements. Because PEPRA has stripped ATU local unions representing public transit employees in California of the right to negotiate over any of these critical aspects of their pension benefits, we
lodged formal objections to DOL referrals for pending grants submitted by various California transit systems.

In our objections, we argued that public transit agencies and ATU local unions can no longer negotiate the benefit formula, definition of final compensation, applicability of the formula to past and/or future service, the employer pickup, or other benefit features, effectively putting an end to collective bargaining relative to the core subject of retirement benefits in violation of Section 13(c).

The DOL found our objections sufficient and noted that federal transit law does not permit the secretary of labor to certify a grantee’s employee protection agreements where workers previously enjoyed collective bargaining rights but those rights were subsequently diminished or eliminated. The DOL further stated that PEPRA appears to remove or limit mandatory and/or traditional subjects of collective bargaining from negotiations by the parties.

As a result, ATU and various transit systems in California were directed to engage in negotiations/discussions to find a mutual agreeable resolution to the issues presented by PEPRA.

In one instance involving Monterey-Salinas Transit (MST) and Local 1225 (San Francisco, CA), the parties were able to reach an agreement that enabled MST to receive federal operating assistance. After a period of negotiations, the parties jointly entered into a “Joint Stipulation of Facts and Positions” (joint statement), dated December 20, 2012.

Based on our joint statement, the DOL ultimately determined that there existed unique facts and circumstances in this particular grant, which allows the parties to meet their 13(c) obligations. Although the Department of Labor issued a certification, it clearly noted that neither the DOL, nor the parties, represent that these unique facts and circumstances will be extant or applicable to further MST grants or to grants involving other transit agencies.

Similarly, at the end of this convention cycle, the International initiated negotiations on behalf of Local 1309 (San Diego, CA) with the San Diego Metropolitan Transit System. The parties are currently finalizing the terms of a joint statement that mirrors the agreement reached between MST and Local 1225.

Significantly, during this convention cycle, we participated in negotiations with the Los Angeles County Metropolitan Transit Authority and the Sacramento Regional Transit District with the goal of reaching a mutually acceptable resolution to the issues presented by PEPRA.

Unfortunately, these negotiations did not produce any settlement during this period and the parties were ordered by the DOL to submit written briefs to defend their respective positions. Following the submittal of initial and reply briefs, we agreed, again, to explore settlement options with LAC MTA. Two days of discussion failed to produce a negotiated settlement and at the close of the reporting period the parties awaited a final decision by the DOL.

LEGAL DEFENSE OF THE UNION AND ITS MEMBERS’ INTERESTS

Litigation to protect the rights and benefits of transit workers across North America, as well as the interests of our Union itself, continues to be a significant function of the International. In fact, it seems we are constantly engaged in legal battles to safeguard our members from the threats of privatization, transit system restructuring, and managements that fail to respect the collective bargaining relationship.

Over the past three years, our Legal Department has diligently advocated on behalf of the International and our local unions before federal, state, and provincial courts and in a wide array of administrative proceedings.

Section 13(c) Enforcement & Litigation

During this convention cycle, we remained determined that the statutory benefits required by the U.S. federal transportation act be honored despite the lack of fundamental support from politicians. Our members have earned and deserve the safeguards we first won over four decades ago.

The International therefore has proudly continued to aid our local unions in the handling and financing of legal actions with the aim of vindicating the collective bargaining, arbitration, and other rights recognized in our employee protective terms.

Section 13(c) Claim Activities

New Orleans, LA

Acting on behalf of Local 1560 (New Orleans, LA), a Section 13(c) claim was initiated during the last convention cycling seeking satisfaction of full
“contractor-to-contractor” rights upon the transition to a new employing entity at the Regional Transit Authority’s (RTA) bus and light rail system. The Section 13(c) agreement long applied to the public body’s federal grants recognizes that the New Orleans system was initially acquired with FTA assistance and therefore specifically provides that all system workers are to be carried over, with their existing terms and conditions of employment, to any new “Memphis Formula” contractor.

But when Veolia Transportation assumed comprehensive responsibility for management and operation of the RTA’s services in the fall of 2009, the company failed to retain several bargaining unit members, unilaterally implemented a 401(k) retirement plan in lieu of contributing to the pre-existing defined benefit pension, and eliminated retiree health care benefits for employees and their dependents.

After efforts of our retained counsel to confront RTA representatives directly about the compelling need for complete and proper satisfaction of the Section 13(c) arrangements attached to its federal funding, settlement of these issues was reached on May 27, 2011. The parties agreed (among others) to a cessation of all accruals under the Transit Management of Southeast Louisiana, Inc., Retirement Plan (TMSEL Plan), effective September 1, 2009, but that no individual vested in the TMSEL Plan will lose benefits accrued prior to the cessation date.

Further, upon execution of the settlement agreement, the RTA will provide retiree health care coverage under the Health Smart Plan or a comparable plan for those who are not covered by the TMSEL Plan.

Savannah, GA

In the transition to a new public-private partnership arrangement between Chatham Area Transit (CAT) and Veolia, effective January 1, 2009, many Section 13(c) implications arose especially with respect to the re-organization of the paratransit operation. More specifically, Veolia failed to recognize and honor the Section 13(c) protections afforded to the employees of CAT’s former contractor, First Transit.

Local 1324 (Savannah, GA) therefore filed a Section 13(c) claim in early 2010, alleging that CAT and Veolia not only failed to preserve and continue collective bargaining rights under law and under existing collective bargaining agreements, but also did not provide adequate notice and negotiate with the union a transitional agreement in violation of the Section 13(c) agreement.

Additionally, it was alleged that CAT and Veolia not only failed to preserve and continue collective bargaining rights under law and under existing collective bargaining agreements, but also did not provide adequate notice and negotiate with the union a transitional agreement in violation of the Section 13(c) agreement.

The arbitration was postponed to allow negotiations with the public body and Veolia to take place in connection with the rearrangement of the workforces of the fixed route service. A settlement of this matter was reached on April 28, 2011, which now constraints CAT from switching contractors or otherwise reorganizing the service without giving a 90-day notice pursuant to the Section 13(c) agreement.

Additionally, CAT is responsible for paying the local union for $1,000 in lost dues due to its precipitous failure to recognize the union after the departure of First Transit.

Austin, TX (II)

Acting on behalf of Local 1091, during the previous convention cycle, we hired outside counsel to file a Section 13(c) claim against the Capital Metropolitan Transit Authority (Capital Metro) for interfering with the collective bargaining relationship between the local union and StarTran, Inc., in violation of a letter agreement entered into pursuant to Section 13(c).

It was alleged that (among other acts) Capital Metro gave StarTran, Inc., bargaining unit work (i.e., five significant routes) to other contractors in retaliation for the bargaining unit engaging in a three-day strike. Moreover, Capital Metro had surveillance cameras installed in the drivers’ break rooms, which are common areas for employees and union representatives to gather and discuss working conditions and other employment related topics.

Through retained counsel, Local 1091 filed an additional claim alleging that Capital Metro once again interfered with the bargaining relationship between StarTran, Inc., and the local when it recommended discipline of a bargaining unit employee based on video surveillance footage.

During this convention cycle, the parties reached a settlement in March 2011. As a result, Capital Metro agreed to remove all surveillance cameras from any break room unless mutually agreed to by the parties regarding the future installation and use of cameras. Additionally, Capital Metro agreed to restore the fixed route work at issue to the bargaining unit represented by Local 1091.
We encountered further violations of the collective bargaining rights of Star'Tran employees represented by Local 1091 committed by Capital Metro that compelled us to file another Section 13(c) claim. As a result of the implementation of the SB 650 mandates discussed above, Capital Metro publicly claimed that any new contractor it selects will not be required to fully carry over the current bargaining unit employees under the existing terms and conditions of employment.

The union’s position was that any changes to the current terms and conditions of employment between the current employer and Local 1091 must be a result of collective bargaining. During this convention cycle, the parties submitted their disputes to American Arbitration Association (AAA) arbitration even though they disagreed as to the framing of the issues to be arbitrated.

The parties had previously entered into a settlement on January 19, 2012, and the subject considered for arbitration related to what retirement benefits Capital Metro would require the contractor to provide until either agreed to a new collective bargaining agreement; or the earlier of the date certain of August 19, 2013, or the date on which the parties reached a bargaining impasse.

Despite ATU’s position that the issue of acquisition and whether Section 13(c) required carry-over of the workforce under the extant terms and conditions subject to negotiated changes was settled, the neutral arbitrator made a finding on that very issue.

In sum, the arbitrator found that there was no federally-funded acquisition in 1972 that was directly contradicted in the DOL’s response to our objections as noted above.

Moreover, the neutral arbitrator issued an opinion and award on April 6, 2012, and held that the Section 13(c) agreement only required the terms and conditions of the then-existing collective bargaining agreement to be preserved and continued until the agreement expired. Thus, the arbitrator found that because the applicable collective bargaining agreement expired prior to the contractor’s commencement date, it was no longer existing and the contractor would not be required to honor the terms and conditions thereof.

The union-appointed arbitrator filed a dissenting opinion stating that the definition given to the word “existing” in the Section 13(c) agreement was made in error and that the arbitration board exceeded its authority to determine the DOL’s previous holding regarding acquisition and carry-over rights. This is an aberrant discussion with little, if any, precedential effect.

Yet another Section 13(c) claim pursued in the last convention cycle involved a dispute between the parties that turned on language interpretation. At issue was a status quo provision that was first imposed more than two decades ago, over our objections, as part of a fact-finding procedure said to replace the interest arbitration clause originally negotiated in the employee protective arrangements between Local 382 and the Utah Transit Authority (UTA).

When the parties’ most recent labor contract expired, the transit authority unilaterally implemented modifications in employment terms, asserting that an impasse had been reached in negotiations and that the status quo language approved by the secretary of labor was of no effect if fact-finding had not yet been invoked. We strenuously challenged that reading of the provision, and filed a formal Section 13(c) claim in this matter. Because the agency simply declined to act, we forged on to, in fact, demand third-party arbitration of this dispute.

During this convention cycle, we saw our efforts ultimately produce a favorable decision at arbitration. In fact, the arbitration board held that, prior to the invocation of mandatory fact-finding as provided for in the Section 13(c) arrangements, the terms and conditions of the expired collective bargaining agreement remain in place.

Therefore, the award confirmed our position that the UTA did not have a right to unilaterally invoke terms upon the expiration of the collective bargaining agreement. Accordingly, the arbitration board ordered all the terms and conditions of the expired collective bargaining agreement be made retroactive to the date the labor contract expired. Further, the arbitration award required the parties to reach a successor agreement or invoke fact-finding by a certain date to ensure no further delay.

Following the disappointing decision by the DOL explained above, we retained outside counsel on behalf of Local 1338 to file a Section 13(c) claim against DART alleging that it has eroded employees’ accrued rights and failed to comply with the 2002 resolution agreement.
The claim was filed with the DOL on May 3, 2012, for processing. During this convention cycle, the parties submitted initial statements and discussions regarding a briefing schedule to govern the process that was being contemplated.

On January 16, 2013, ATU’s outside counsel propounded comprehensive requests for information. DART has failed to provide Local 1338 with the requested information, and retained counsel was required to seek an order from the DOL compelling DART to produce it. We anticipate that ultimately the parties will submit the dispute to a DOL-appointed arbitrator for resolution.

El Paso, TX

On May 18, 2012, we retained outside counsel to file a Section 13(c) claim with the DOL against the City of El Paso, TX regarding Sun Metro’s refusal to hear grievances filed by employees, to permit employees to be represented by Local 1256, and for further refusal to comply with its Section 13(c) obligations. The DOL docketed ATU’s 13(c) claim on May 15, 2013.

On June 25, 2013, ATU’s counsel submitted comprehensive requests for information to the City of El Paso. On July 8, 2013, the city responded inadequately to these requests.

ATU anticipates further efforts, possibly involving assistance from the DOL, to obtain information from the City of El Paso, followed by submission of briefs by the parties, and a ruling by a DOL-appointed arbitrator.

Las Vegas, NV

In response to the Regional Transportation Commission (RTC) issuing a request for proposals on July 10, 2012, to select contractors to operate the transit system, the Legal Department submitted a notice of a Section 13(c) claim dated September 12, 2012, on behalf of Local 1637 (Las Vegas, NV), to the RTC to ensure a smooth transition of operations and put RTC on notice of its Section 13(c) obligations. More specifically, we requested RTC to commence negotiations with the local union for the purpose of reaching agreement with respect to the application of the terms and conditions of the Section 13(c) arrangement to the intended changes slated to occur with the restructuring and splitting of the system.

RTC responded by denying any Section 13(c) duty to provide notice and negotiate an implementing agreement with the local union because the intended changes did not result from RTC’s use of federal funds. Notwithstanding, the RTC as a matter of policy assured the local union that it would take specific actions to protect the interests of the current employees in this transition. At the end of this convention cycle, it appeared that all of the employees affected by the transition were offered employment, and the existing contract terms continued pending completion of the negotiations.

West Palm Beach, FL

Following Palm Beach (FL) County’s award of a service contract to Metro Mobility to operate Palm Tran Connection, Palm Tran’s paratransit service, the Legal Department filed a notice of a formal claim by letter dated September 7, 2012. Upon its commencement of operating Palm Tran Connection on August 13, 2012, Metro Mobility refused to hire 120 employees of the former paratransit contractor MV Transportation.

Our formal claim alleged that these 120 laid-off employees are entitled to certain labor protections pursuant to Section 13(c) and the failure to provide employment for these employees violated the county’s and Metro Mobility’s Section 13(c) obligations.

We requested as remedy that the county and Metro Mobility grant priority of employment or re-employment to any employee in the bargaining unit who has been terminated or laid-off. In the alternative, where employees were not given employment, we requested dismissal/displacement allowances under the Section 13(c) agreements. At the end of this convention cycle, this claim as well as several NLRB unfair labor practice charges filed by the Union against Metro Mobility, remained pending.

Section 13(c) Court Cases

Salt Lake City, UT (II)

In an attempt to sidestep good faith bargaining, the Utah Transit Authority (UTA) filed a complaint in Utah state court, seeking declaratory judgment because it claimed the parties reached impasse in their bargaining and therefore the UTA had the right to modify the terms and conditions of employment.

It remained the local’s contention, however, that the parties were not at impasse and that this precise issue should be submitted to arbitration. Consequently, acting through outside counsel, the local filed a motion
to compel arbitration on this issue, which was ultimately denied by the court. The court ruled that the issue of whether UTA violated Utah law is properly within the jurisdiction of the judicial system rather than a third party arbitrator.

Following an unsuccessful motion to amend the court's ruling, Local 382 was compelled to file an appeal to the Utah Supreme Court. ATU's argument in support of its appeal was based upon our assertion that, because UTA is required by contract and statute to bargain collectively with the union, allegations of unfair labor practices involving collective bargaining must be resolved by an arbitrator pursuant to the Section 13(c) arrangements. In reply, the UTA argued that the issue of negotiating in good faith until the point of impasse must be decided by the state courts.

The Utah Supreme Court issued its opinion on November 6, 2012, determining that the case had been resolved because the issues are moot. More specifically, the court reasoned that the case became moot the moment the parties negotiated and entered into a successor collective bargaining agreement. As a result, the court determined it lacked the power to address the underlying merits or the issue.

Moreover, the court reasoned that because the arbitrator's ruling reinstated the union's terms of employment and prompted the parties to enter into a new collective bargaining agreement, there is no remaining live controversy of any significance.

Colorado Springs, CO (I)

The ongoing battle with the City of Colorado Springs, CO over its efforts to avoid numerous clauses of its Section 13(c) agreement with Local 19 (Colorado Springs, CO) finally came to a conclusion during this convention cycle. We suffered a significant setback in our ongoing legal action against the City of Colorado Springs for damages in connection with its acknowledged failure to bind its then-service contractor, Professional Transit Management, Inc., to the Section 13(c) agreement protecting those represented by Local 19.

This litigation is the ultimate outgrowth of the local union's 2005 invocation of its right to interest arbitration and to the preservation of the status quo under the expiring labor contract pending completion of the impasse resolution process.

Some time back, although we worked closely with outside counsel to refute the arguments raised by the city, a trial judge initially dismissed our case after concluding it was overly speculative to presume that adverse actions of the management company would have been barred if the contractor had been properly obligated to honor the Section 13(c) agreement's interest arbitration clause.

We appealed the Colorado state court ruling and, in an opening brief filed with the appellate court, we asserted that the lower court simply missed the mark in its conjecture as to whether Local 19 could make an adequate showing of harm as a result of the witnessed disregard for the employee protections negotiated by the union.

The Colorado Court of Appeals reversed the lower court and the case was remanded, where the city chose to lodge counterclaims in response to our original complaint. More specifically, it first sought a declaratory judgment that any interest arbitration between the union and the private sector contractor would amount to an unconstitutional delegation of the public body's authorities, again on the theory that the city would ultimately bear the cost of any increased economic terms and conditions of employment. The city also petitioned for a ruling to void the entire Section 13(c) agreement because it lacks an express term of duration.

After first denying our motions to dismiss those counterclaims, the trial judge issued an opinion granting summary judgment in favor of the city on its first proposition. Determining that the city is the "ultimate financial obligee" of the employee protections attached to its federal transit grants, the court struck down the interest arbitration clause even though the represented workers are not public employees.

Although all issues pending before the trial court had not yet been resolved, the city filed an appeal of the district court's ruling that (among others) the interest arbitration clause was severable from the remainder of the Section 13(c) agreement and that the Section 13(c) agreement was not void and therefore enforceable.

Following exchanges of several briefs by the parties, the court unfortunately agreed with the city's argument that the interest arbitration provision is unconstitutional because it allowed a neutral, third party arbitrator to make binding legislative decisions concerning the terms and conditions of employment.

The court, however, did go on to clarify that the interest arbitration provision should be severed from the rest of the Section 13(c) agreement. Moreover, the Court of Appeals at least found that the Section 13(c) agreement was not null and void as a contract in perpetuity. The appeals court, however, remanded the remaining issues of the breach of contract claim and
declaratory judgment concerning the city’s obligation to bind successors and assigns under the Section 13(c) agreement.

As a result, the local union filed a petition for writ of certiorari with the Colorado Supreme Court on January 7, 2011, regarding the appeals court’s determination that the interest arbitration provision is unconstitutional, and the city filed a cross writ of certiorari. Both parties’ writs for certiorari were denied by the Colorado Springs Court. As the law currently stands, then, the Section 13(c) agreement is still in full force and effect except for the interest arbitration provision.

A trial on the city’s counter-claim that the Section 13(c) agreement is an unlawful perpetual contract was held on June 11 and 12, 2012, and the parties submitted briefs setting forth their respective legal arguments. The EL Paso County District Court issued an order on July 24, 2012, denying the city’s counterclaim requesting declaratory judgment that the Section 13(c) agreement is unenforceable as a perpetual municipal contract. This victory finally concluded a protracted legal battle regarding the legality of the Section 13(c) agreement.

**Colorado Springs, CO (II)**

In another City of Colorado Springs, CO legal battle, Local 19 filed a Section 13(c) claim in January 2010, on behalf of a portion of the workforce that was laid off due to the closure of the South Garage facility against the city and First Transit, the private contractor of fixed-route service for the city during this reporting period. More specifically, after closing the South Garage facility, the routes and buses were moved to, and began operating out of the North Garage.

The legal theory pursued here stems from some mid-1990 rulings of the Labor Department indicating that, where services trace back to an initial acquisition of a private company with federal funds (as with Colorado Springs), a “replacement provider” is obligated to provide employment priorities and other “carryover rights.” The basis of our claim is that the North Garage is a replacement provider and therefore obligated to hire all the employees from the South Garage along with their extant terms and conditions.

First Transit resisted our claim alleging, among others, that this issue was not arbitrable because First Transit was only bound by the Section 13(c) requirements during the duration of the contract it had with the city, which was cancelled by the city, effective December 31, 2009. Moreover, First Transit contended that the events giving rise to the Section 13(c) claim occurred after any obligation under the Section 13(c) agreement had expired.

After failed attempts to informally resolve this matter, the local union filed a motion to compel the Section 13(c) claim arbitration in state court. Although First Transit sought to have the case removed to federal court, the city sought to have the case remanded back to state court.

Although we took somewhat of a “back seat” to the jurisdictional issue, First Transit also filed a counterclaim against the city seeking to indemnify First Transit for any liability and costs arising from the Section 13(c) claim. The federal district court determined that the lawsuit properly belonged in state court, so the case was remanded back to state court in Denver, CO.

The case was then held in abeyance for some time pending the outcome of the case discussed above which concerned the city’s counter-claim that the Section 13(c) agreement is void as an “ultra vires” perpetual contract.

During this convention cycle, this case finally resumed in state court. The court, on October 12, 2012, denied the city’s motion to dismiss the case. On November 8, 2012, the city consequently filed an answer and an affirmative defense to the third-party complaint filed by First Transit denying that First Transit is entitled to any relief sought in its third-party complaint. The case is currently pending and the parties are scheduled to engage in required settlement discussions.

**Lafayette, IN**

In response to the Greater Lafayette, IN Public Transportation Corporation’s (GLPTC) imposition of its last best final offer, the Department, on behalf of Local 1741 (Lafayette, IN), retained outside counsel to compel arbitration on June 16, 2011, against GLPTC pursuant to the parties’ Section 13(c) agreement.

It was further requested that the state court find that GLPTC violated the Section 13(c) agreement by refusing to maintain the status quo, which includes the terms and conditions of the expired collective bargaining agreement, and unilaterally implementing the terms of its final offer.

In settlement of the litigation, the parties agreed to submit this dispute to arbitration, which would have been held on September 18, 2012, in order to conserve resources for all involved. The parties, however, subsequently agreed to a successor collective bargaining agreement and the remaining issues were resolved. Therefore, the local agreed to withdraw the grievance without prejudice and without precedent.
Oakland, CA

After failed attempts to negotiate a new successor collective bargaining agreement between Local 192 and the Alameda-Contra Costa Transit, the local requested interest arbitration pursuant to District (AC Transit) the applicable 13(c) agreement. The district, however, refused the local's request, stating that the local's only recourse to resolve the bargaining dispute was to strike.

Because of the district’s refusal to arbitrate, the union filed a petition to compel arbitration at the close of the previous convention cycle. The local further noted in its motion to compel that, as set forth in the AC Transit-Local 192 collective bargaining agreement, it is the policy and intent of the district to submit disputes over the terms of a written contract between the district and the local union to arbitration within 15 days following contract expiration.

Although the local showed its willingness to continue with negotiations, it appeared such would be futile as AC Transit unequivocally made clear that it would not continue bargaining after June 30, 2010. Acting through retained counsel, the local requested an expedited hearing of this matter in accordance with the collective bargaining agreement. After extensive briefing and a hearing on both matters by the state court judge, AC Transit was ordered to submit its current labor disputes to interest arbitration and was enjoined from unilaterally imposing changes in working conditions.

AC Transit, of course, filed an appeal to the judge’s order granting the preliminary injunction as well as the decision granting the local’s motion to compel. AC Transit’s appeal efforts were unsuccessful as it was ultimately compelled to participate in interest arbitration over the successor collective bargaining agreement.

Boston, MA

We also assumed principal responsibility for litigation that contested a state statute abolishing the health care plan for Massachusetts Bay Transportation Authority (MBTA) employees and amending the terms of the transit system’s retirement plan. Previously commenced by Local 589 (Boston, MA) and the other nine unions in the coalition of labor organizations representing MBTA workers, this lawsuit seeks to enjoin implementation of two amendments to the public entity’s enabling statute that were included in a summer of 2009 enactment.

The first provision mandates that any new collective bargaining agreement must specify that new hires will become eligible for a pension only after 25 years of service and no earlier than reaching the age of 55.

The second statutory element in question dictates that health care coverage of all active employees and MBTA retirees be transferred to a plan administered by the state's general insurance commission for other public sector workers. The Union challenge alleges that the law violates constitutional protections of earned pension rights, and by effectively precluding bargaining over the subjects addressed, contravenes applicable Section 13(c) obligations of the transit authority.

The court in this matter unfortunately denied a Union request for a preliminary injunction to preclude an initial impact of the state law, i.e., the January 1, 2010, termination of noncontributory health benefits for several hundred unrepresented active and retired management personnel.

In short, the court found that the new law does not violate or retract the commonwealth’s own contract protecting MBTA employees affected by federal projects and is not unconstitutional under the U.S. Constitution and the Massachusetts Declaration of Rights. Therefore, the Union’s complaint was dismissed.

In dealing with this blow, ATU proceeded to petition the DOL during its Section 13(c) processing of MBTA grants that alternative employee protections are required as explained fully above.

Dallas, TX (II)

We came to the aid of Local 1338 as it sought to address the potential implications of an adverse Texas court ruling that Section 13(c) of the federal public transportation act does not implicitly preempt the Dallas transit authority’s governmental immunity from suit under state law.

First initiated by the local union without the involvement of the International, this litigation grew out of a 2002 negotiated resolution of the union’s “general grievance” seeking changes in employment terms. While the agreed-upon settlement called for annual wage increases, in the fall of 2003, the public body’s board of directors adopted a budget that did not provide for the specified four percent pay hike, and Local 1338 responded by filing a breach of contract action.

Employer efforts to have the suit dismissed were rejected by both the trial and appellate courts, which
found that the public body’s assertion of governmental immunity must fail because it would preclude enforcement of collective bargaining rights that Congress intended to preserve under Section 13(c).

The state’s highest court, however, disagreed with those opinions. Rather, it held there was no federal law preemption of the state immunity rule, asserting that the union did not need to enforce the grievance resolution in court because it could seek redress by “simply [filing] another general grievance.”

Acting on behalf of Local 1338, we filed a petition with the U.S. Supreme Court seeking its review of the Texas Supreme Court’s decision. We also submitted an amicus (friend of the court) brief in the name of the International Union supporting the local union’s petition.

We specifically noted that the Supreme Court’s 1982 decision in the *Jackson Transit Authority* case necessarily implied any state immunity from suit is overcome by federal law since the justices there determined that a “union, of course, can pursue a contract action in state court” to enforce its Section 13(c) agreement. Unfortunately, the Supreme Court declined to put this case on its docket. Our petition for certiorari was, then, denied without any further explanation or commentary.

**Waukegan, IL**

We reported during the previous convention cycle that as a result of a stalemate over the negotiations and arbitration of the labor contract between Local 900 and Pace North Division, through outside counsel, Local 900 filed suit in April 2010, to compel Pace North to arbitrate the dispute pursuant to the applicable Section 13(c) agreement.

Because of specific language in their Section 13(c) agreement requiring the parties to participate in mediation and obtain a certification that an impasse exists before submitting to interest arbitration, however, Pace North maintained that the parties cannot submit to interest arbitration without the mediator certifying impasse.

Although the parties have been participating in mediation with the Federal Mediation and Conciliation Service (FMCS) since the end of 2009, FMCS has made clear that it is their policy to avoid public or official comment on issues that have been mediated.

In June 2010, Local 900 filed an amended complaint, alleging a statement made by FMCS that an agreement would not likely be reached in the immediate foreseeable future is in effect a certification of impasse. This argument was squarely rejected by the judge thus causing Local 900, on November 29, 2010, to file a second amended complaint on grounds that the local should be excused from the certification of impasse requirement.

The court finally rendered its decision and found that the local union is not excused from the certification of impasse requirement. Accordingly, the local union proceeded to seek a remedy before the DOL’s Section 13(c) certification process as described above.

**Boise, ID**

Our lawsuit on behalf of Local 398 seeking satisfaction of a 2007 arbitration award finding the Boise transit system in violation of subcontracting language in the parties’ labor contract, concluded this convention cycle.

As detailed previously, this case began with a route restructuring that effectively transferred work from our Boise bargaining unit to a (then) unorganized subcontractor of Valley Regional Transit (VRT) which operates its distinct service in the Nampa, ID, area.

The arbitrator awarded damages to each impacted employee pending a return of the work to the Local 398 unit. After obtaining partial summary judgments confirming the arbitrator’s award, we sought a formal judgment for additional employee payments totaling nearly $125,000 for damages through the October 2008, discontinuance of the Nampa route.

True to form, management opposed our filing, urging that the case be heard anew by the arbitrator because factual disputes remained over the actual amount of the back-pay awarded.

After extensive briefing on the issue in the early part of 2010, the judge ordered the case be remanded to the arbitrator for clarification of her award. The arbitrator on remand agreed with Local 398’s position and awarded prejudgment interest from the date of the original 2007 award to the date.

As a result, on December 30, 2010, the local union filed a motion in state court for issuance of a revised judgment based on the most recent arbitration award, which was opposed by VRT.

The parties, however, were able to reach a settlement agreement over the current lawsuit as well as the terms and conditions of the successor collective bargaining agreement. As part of that settlement, VRT is required to pay each individual 75% of back-pay owed and all
bargaining unit employees will receive a 1.5% raise in their base wage retroactive to October 1, 2010.

Also, VRT will assign the Southwest Boise route to bargaining unit drivers. Accordingly, the parties stipulated for dismissal of the pending lawsuit following full compliance of the settlement agreement on September 12, 2011.

_Cleveland, OH_

On behalf of Local 268, through retained counsel, we filed a petition in state court on March 18, 2011, to compel the Greater Cleveland Regional Transit Authority (GCRTA) to submit to interest arbitration pursuant to their Section 13(c) agreements. GCRTA, as a condition of receiving federal funding, executed a Section 13(c) agreement that included a provision allowing either party to submit labor disputes over the making or maintaining of a collective bargaining agreement to final, binding arbitration. Moreover, the state public employment statute allows for the voluntary agreement to submit to interest arbitration.

Our petition, of course, was met with opposition from GCRTA as it filed a motion to dismiss our petition for lack of subject matter jurisdiction on May 6, 2011. In response, on June 7, 2011, the local union filed a reply to GCRTA’s motion to dismiss and subsequently the ATU filed a motion to stay proceedings to allow the Ohio State Employment Relations Board (SERB) to hear and decide the matter.

On November 17, 2011, the Ohio SERB confirmed that the correct venue to determine the interest arbitration issue is state court. As we prepared to file a motion requesting the court to lift the stay and deny GCRTA’s motion to dismiss, the parties agreed on the terms and conditions of a successor collective bargaining agreement, thus resolving the dispute without further litigation.

_Sioux Falls, SD_

On behalf of Local 1356, we hired outside counsel to defend against a declaratory judgment action filed by the City of Sioux Falls, SD. The city requested the court to declare that the local union does not have a right to interest arbitration under the parties’ Section 13(c) agreement. In our answer to the city’s complaint, we asserted as an affirmative defense that the claim of the city is barred based on a prior court’s ruling that compelled the city’s contractor to submit its labor dispute with Local 1356 to interest arbitration.

Additionally, we contended that the city is not the real party in interest because the collective bargaining agreement is with the city’s contractor and not the city itself.

On February 19, 2012, we submitted a motion for summary judgment that requested the court to once again direct the city’s contractor to submit to interest arbitration. The city also filed a motion for summary judgment on March 22, 2012, and therein argued that the Section 13(c) agreement was replaced by the Unified Protective Arrangement discussed above.

Our reply to the city’s motion clearly set the record straight that the Section 13(c) agreement is still in full force and effect and was not replaced by the UPA by the DOL. A hearing was held on this matter on April 9, 2012.

On May 22, 2012, the judge issued her order and judgment that unfortunately conditioned the applicability of the interest arbitration to be causally connected to a federal project. Because this goes against the legislative history of Section 13(c) and the longstanding policy of the DOL, the local union filed a notice of appeal, which was unfortunately denied.

Moving forward, the local union will now have to meet this legal standard of showing that a labor dispute is causally connected to federal funds received by the city before such can be submitted to interest arbitration.

_Toledo, OH_

We retained counsel to represent Local 697 in its efforts to submit the current labor disputes concerning the terms of a successor collective bargaining agreement to binding interest arbitration pursuant to its Section 13(c) agreement with the Toledo Area Regional Transit Authority (TARTA).

After filing this request, and because TARTA refused to arbitrate, the local union was left with no other choice but to file a lawsuit in state court to compel interest arbitration pursuant to the applicable Section 13(c) agreement in November 2011.

In response, TARTA filed a motion to dismiss our lawsuit, and we responded by arguing that our lawsuit to enforce arbitration was brought under Ohio’s arbitration act, which clearly vests jurisdiction in state courts to enforce arbitration agreements, such as the one found in the Section 13(c) agreement. TARTA again filed a response contending that the Ohio SERB has exclusive jurisdiction over this matter, and the court
Unfortunately agreed and granted TARTA’s motion to dismiss in an order issued on August 17, 2012.

Retained counsel filed a notice of appeal on September 10, 2012, and oral arguments were held before the court on June 19, 2013. As of the close of the reporting period, we were awaiting the issuance of a decision by the court.

Parkersburg, WV

On behalf of Local 1742 to compel interest arbitration with the Mid-Ohio Valley Transit Authority (MOVTA) for its failure to submit to interest arbitration and cessation of union dues check-off arrangements, we proceeded to file a lawsuit during this convention cycle.

The lawsuit was based on MOVTA’s breach of contract when it refused to proceed to interest arbitration in violation of both its collective bargaining agreement and Section 13(c) agreement. Among the relief sought, the local union requested a mandatory injunction to enforce a previous arbitration award that would order MOVTA to proceed to interest arbitration with the local union.

Our efforts were met with opposition as MOVTA filed a motion to dismiss the complaint for failure to state a cause of action. As a result, the local union filed its response in opposition to MOVTA’s motion to dismiss. In addition, the local union filed a motion for summary judgment, requesting the court to enforce a prior arbitration award that resolved the issue of whether MOVTA is required to proceed to interest arbitration under its Section 13(c) agreement.

On April 20, 2012, the Wood County Circuit Court issued its Opinion and Order requiring MOVTA to proceed to interest arbitration. However, MOVTA then filed a request to stay the execution of the judgment for Local 1742. After considering MOVTA’s motion, the court stayed the execution of the judgment pending the outcome of MOVTA’s appeal.

In MOVTA’s brief, which was filed on August 21, 2012, it alleged (among others) that the circuit court erred in holding that the state court has the power to enforce Section 13(c) and in holding that MOVTA must submit to interest arbitration.

We submitted our reply brief on October 4, 2012, requesting the court to affirm the Wood County Circuit Court granting the Union’s summary judgment motion which is now pending before the Supreme Court of Appeals of West Virginia.

Buffalo, NY

On August 30, 2011, the Niagara Frontier Transportation Authority (NFTA) filed a petition to stay interest arbitration following unsuccessful negotiations with Local 1342 (Buffalo, NY) over the terms and conditions to be included in a successor collective bargaining agreement.

As previously reported, the Department retained outside counsel to defend the action on behalf of the local union and to submit a cross-petition seeking an order from the state court to compel interest arbitration. Following the submission of various motions and briefs, the judge ultimately ruled on February 20, 2012, and agreed with the Union that NFTA must submit to interest arbitration.

NFTA, however, filed an appeal to the New York Supreme Court, Appellate Division, claiming that the Section 13(c) agreement did not require or provide for interest arbitration and that such is supported by governing state law principle.

In the Union’s reply brief filed on July 10, 2012, we argued that, as a condition of receiving millions in federal funds, NFTA voluntarily agreed and confirmed that either party has the right to demand interest arbitration when issues arise concerning the making of a collective bargaining agreement and the terms to be included therein.

Unfortunately, the court was not persuaded by the Union’s arguments and ruled in favor of NFTA, which effectively put an end to the union’s right to interest arbitration pursuant the Section 13(c) Agreement.

General Litigation

Fair Credit Reporting Act
Challenge to Criminal Background Checks at First Group

Acting on behalf of ATU-represented employees of First Transit and First Student throughout the United States, a legal claim was initiated alleging that both companies’ use of criminal background checks violated the due process safeguards of the Fair Credit Reporting Act.
In separate federal court complaints, the plaintiffs sought monetary damages, injunctive relief and attorney fees to redress a sizeable number of dismissals premised upon often incomplete and sometimes erroneous third-party reports of criminal records.

The plaintiffs, First Transit and First Student, were able to reach an agreement that required the companies to stop their unlawful use of background checks, and to pay $5.9 million to eligible class members and their attorneys.

In order to implement the settlement and protect our members, the International Union negotiated a memorandum with First Group limiting the use of criminal background checks at ATU properties.

**Discrimination Claim against First Transit**

The Union, acting on behalf of ATU-represented employees at First Transit, initiated a second legal action against First Transit’s use of criminal background checks. In a complaint filed in federal court, plaintiffs alleged that First Transit’s practice of rejecting job applicants and terminating employees on the basis of criminal records, regardless of the type or age of offenses, violated Title VII of the **Civil Rights Act of 1964** by disparately impacting African-Americans and Latinos.

The parties had engaged in discovery, and plaintiffs intended to move for class certification. During the reporting period, the United States Supreme Court issued a decision in *Wal-Mart Stores, Inc. v. Dukes*, 131 S.Ct. 2541 (2011), which required plaintiffs to show a higher level of commonality among individual claims in order for a class action to be certified. As a result of this new heightened standard, the counsel for the plaintiffs withdrew the lawsuit during this reporting period.

**New York Department of Education**

The Union intervened in a lawsuit brought by a consortium of bus companies against the New York City Department of Education (DOE) for what the bus companies claimed were anti-competitive practices regarding the DOE’s solicitation of contracts. The bus companies sought to remove from the bidding requirements for early education transportation contracts certain employee protection provisions that ensure basic employment standards.

Among the employee protections we sought to protect were provisions requiring contractors to hire employees laid off by competitors, and continuation of welfare and pension benefits. We argued that the employee protection provisions served to ensure labor peace and contractual performance, ensured the use of skilled and experienced workers, and provided standard wages, benefits and job security, all of which enhanced the operations of the employers.

Unfortunately, the trial court wrongly held that the employee protection provisions failed to demonstrate a link to the public interest promoted by the state’s competitive bidding statutes for contracts. The court stated that the employee protection provisions served to inflate the bids on contracts for school transportation services and had an anti-competitive impact on the bidding process, and were therefore contrary to public policy.

On appeal, the New York State Court of Appeals upheld the lower court’s decision.

**Vacation Pay Dispute by Former Executive Officer**

Former International President Ronald Heintzman filed a lawsuit against the International Union alleging that he used no vacation days during his final year with the International Union, and that it therefore owed him for 30 days of unused vacation.

The International Union filed counter claims against the plaintiff for breach of his fiduciary duty and his duty of loyalty to the International Union for making unauthorized payments that conferred personal benefit but had no union purpose.

After the conclusion of discovery the parties reached an agreement whereby they dismissed all claims against each other.

**South Bend, IN, Duty of Fair Representation Claim**

A former member of Local 996 (South Bend, IN) filed a complaint against the local union and the International alleging that they had both breached their duties of fair representation and discriminated against her on the basis of her race by failing to adequately represent her in the grievance process.

The International Union and Local 996 moved to dismiss suit based on timeliness and her failure to exhaust her procedures before the Equal Employment Opportunity Commission.
The court dismissed all claims against the International Union and some claims against Local 996, but allowed the plaintiff to proceed on certain claims against 996.

Rochester, NY, Discrimination Claim

The International Union defended itself in a federal court action brought by a member of Local 282 (Rochester, NY) under Title VII of the Civil Rights Act of 1964. The plaintiff asserted that he was the victim of racial discrimination at the workplace, and that the union had breached its duty of fair representation in connection with various work-related grievances he filed.

The International Union moved to dismiss the lawsuit on the grounds that no legal action could be brought properly against the International Union which had no involvement whatsoever in any of the underlying facts because it was not the plaintiff’s exclusive bargaining agent.

The court granted the Union’s motion to dismiss, but did allow the Plaintiff the opportunity to move to amend his lawsuit to name Local 282 as a defendant.

Washington, DC, Duty of Fair Representation Claim

The International Union defended itself in a case brought by a former Local 689 (Washington, DC) member who was terminated from employment for failing to disclose information about a prior criminal conviction when applying for a position with the Washington Metropolitan Area Transit Authority (WMATA). Local 689 fairly and openly examined the grievance brought by the plaintiff against WMATA, but ultimately decided not to proceed to arbitration.

The International and Local 689 moved for summary judgment at the close of discovery arguing that the former member failed to state a viable claim and that Local 689 fulfilled its duty to represent the complaining individual fairly and in good faith.

The court moved to dismiss the complaint also on the ground that there was no basis for including the International in the case.

The court granted the motion for summary judgment. The D.C. Court of Appeals denied an appeal filed by the plaintiff, and the U.S. Supreme Court has denied his request for review of the decision of the D.C. Court of Appeals.

Lexington, KY, Discrimination Claim

An individual who was formerly an employee of LexTran and a member of Local 639 (Lexington, KY) filed a lawsuit against the LexTran, Local 639, the International Union, and various individuals. The plaintiff claims that LexTran conspired with others to create a hostile work environment and terminate him due to his race. At the conclusion of this reporting period, the parties had concluded discovery, and the litigation was proceeding.

Las Vegas, NV, LMRDA and Negligence Claim

A member of Local 1637 (Las Vegas, NV) sued his local and the International Union alleging that the imposition of union discipline against him violated his rights under the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA), and that the local union had acted negligently in handling a grievance challenging his discharge from his employer.

As of the close of the reporting period the local union had successfully moved to dismiss itself from the lawsuit, and the International was preparing to file a motion to dismiss with the court.

LABOR RELATIONS BOARDS & ADMINISTRATIVE PROCEEDINGS

International Union, Challenge to 2010 Elections

In response to the election of international officers at the 56th Convention of the ATU, a member of Local 757 filed with the U.S. Department of Labor (DOL) a complaint alleging 101 separate violations of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA) concerning alleged candidate misconduct, improper selection of delegates, and the composition of the General Executive Board. The DOL concluded that there was no basis to overturn the election results, and took no action on the complaint upon the conclusion of its investigation. It did, however, find certain technical violations in the selection of local union delegates.

The member alleged that the winning candidates had campaigned with Union and employer funds and property. The DOL found no evidence to support the allegations, and found that the winning candidates
had used no Union or employer funds or property in connection with their campaigns.

The member alleged also that the Convention’s decision to amend the Constitution and General Laws to provide for not less than three Canadian international vice presidents beginning in 2010 violated the LMRDA. The DOL found that making the amendment applicable to the 2010 elections did not affect the outcome of any election under the circumstances.

The member alleged finally that delegates who had voted in the election had not been properly selected by their local unions to serve as delegates, and that certain voting delegates were not eligible to vote. The DOL found that any alleged deficiencies did not affect the outcome of the election in light of the large margin of victory in all contested elections.

**Palm Beach, FL**

**Employer Refusal to Recognize and Bargain**

The International assisted Local 1577 (West Palm Beach, FL) in its vigorous and protracted fight against Palm Beach Metro Transportation, LLC, and its alter ego, Metro Mobility. Since 2005, the employer has operated paratransit service under a contract with Palm Beach County, FL. Since Local 1577 organized Metro Mobility’s workers in 2007, the employer has refused to recognize and bargain in good faith with Local 1577.

As part of a campaign against Metro Mobility, Local 1577 filed a series of unfair labor practice charges with the National Labor Relations Board (NLRB). Even after the NLRB and the U.S. Court of Appeals ordered the employer to bargain in good faith with the local, the employer refused to do so. Instead, Metro Mobility engaged in an unlawful course of conduct which included unilaterally reducing employees’ hours, coercing employees into signing a decertification petition, and unlawfully implementing a “last, best and final” offer.

Ultimately, the Court of Appeals has found Metro Mobility to be in contempt of court, and at the close of this reporting period the NLRB had ordered the employer to pay employees over $1.6 million in lost wages.

**Austin, TX**

**Successor’s Bad-Faith Bargaining**

The International also assisted Local 1091 (Austin, TX) in proceedings before the NLRB. McDonald Transit Associates, Inc., won a contract to provide fixed-route bus service in Austin, TX. Upon receiving the contract, the employer immediately set about undermining the contract standards that Local 1091 had achieved for its members with the previous contractor.

Although McDonald Transit recognized Local 1091 as the representative of its employees, it insisted that the bargaining would start from scratch, and it rushed to implement its concessionary “last, best and final” offer on the afternoon of August 18, 2012 – the day before it commenced service on August 19, 2012.

Local 1091 responded immediately to the employer’s unlawful conduct by filing unfair labor practice charges challenging McDonald Transit’s bargaining posture and its unilateral implementation.

Although the NLRB took almost a year to issue its decision, it ultimately determined that McDonald Transit unlawfully implemented its “last, best and final” offer, and that it had been obligated to maintain the terms and conditions of the prior contractor until the parties reached an agreement or a good-faith impasse.

**Attleboro, MA**

**Discrimination Charge**

A member of Local 1547 (Brockton, MA) employed by the Greater Attleboro Taunton Regional Transit Authority (GATRA) filed with the Massachusetts Commission Against Discrimination (MCAD) a charge of discrimination against the International Union, Local 1547, GATRA, and Professional Transit Management of Attleboro, Inc. The complaint alleged that she had been harassed, and that none of the charged parties took adequate measures to protect her.

During the reporting period the International Union moved to dismiss the charge against it, and is currently awaiting a decision by MCAD.

**Brantford, ON**

The International Union provided assistance to Local 685 (Brantford, ON) in reinstating a key union supporter in the organizing drive that the local successfully pursued among employees of Operation Lift, Inc. After charges were filed against the employer, the employee was reinstated. But upon returning to work, she faced harassment from the employer in retaliation for her role in organizing her coworkers.

The Union continued to pursue charges against Operation Lift as a result of its ongoing harassment.
Through the charging process before the Ontario Labour Relations Board, the local union was able to achieve sufficient leverage to force the employer to acknowledge its unlawful conduct and resolve the matter.

**Peterborough, ON**

The International came to the support of Local 1624 (Peterborough, ON) in a series of disputes involving Trentway-Wagar, and a union in Montreal, QC. Local 1624 was the certified bargaining agent for Trentway-Wagar’s drivers. The local union discovered that the Quebec union had applied to be certified as the bargaining agent for a Quebec subsidiary of Trentway-Wagar. After extensive litigation, the Quebec union was certified as the representative of the subsidiary’s employees.

 Shortly thereafter, Trentway-Wagar merged its two operations together. After additional administrative proceedings, an amended certification was issued wherein Local 1624 was able to maintain its bargaining unit.

**Saint John, NB**

The International assisted Local 1229 (St. John, NB) with an Unfair Labour Practices Complaint against Acadian Lines in Moncton, NB. The complaint alleged that the employer unlawfully terminated the local president/business agent, unlawfully suspended the remaining three members of the local union’s bargaining team, held captive audience meetings with employees, and refused to bargain in good faith with Local 1229.

The International Union also assisted Local 1229 with filing a Complaint with the Canada Industrial Relations Board requesting interim relief.

Shortly thereafter, the employer locked out Local 1229’s members, and the local union amended its complaint to allege that the lockout was unlawful reprisal for union activity.

The CIRB found the termination of the president/business agent to be unlawful and ordered Acadian to reinstate him with back pay. The discipline issued against the other negotiating committee members was settled.

Ultimately the locked out workers were returned to work. Despite the successful ULP proceedings and resolution of outstanding issues, Acadian ceased operation of the service on November 30, 2012.

**AFL-CIO RAIDS/PROCEEDINGS**

There were no Article XX or Article XXI proceedings during this reporting period.

**LEGISLATIVE AND POLITICAL AFFAIRS**

During this reporting period, the Government Affairs Department changed course and coordinated activities with the Communications and Field Mobilization Departments on numerous legislative and political campaigns.

On the federal side, we began working with new partners, especially faith-based groups such as the Gamaliel Foundation’s Transportation Equity Network (TEN) as well as other umbrella coalitions such as Transportation for America (T4A), the Community Transportation Association of America, Reconnecting America, and others.

Our new approach of expanding our outreach by building coalitions was a core element in several campaigns. When engaging our locals in the critical campaigns listed below, we often used new technology such as telephone town halls to reach many ATU members all at once.

The Government Affairs Department, in coordination with the Communications Department, implemented the new “COPE-PLUS” program advanced by the GEB in late 2010, to encourage local unions to raise money for issue-based campaigns in their local communities.

Regarding state legislation, we stopped waiting for locals to inform us about potential problems, and launched a new State Legislative Dispatch email publication that proactively alerted local unions and legislative conference boards about good or bad legislation pending in their states. We also completed large-scale legislative policy briefs for our Canadian locals.

We continued to track and strategically invest resources in public transit ballot measures that could impact our members’ jobs as well as transit service in our communities. We also assisted locals in fighting back against large-scale ballot measures attacking workers’ collective bargaining rights and other matters.

Our annual legislative conferences were restructured. We shifted the location away from expensive hotels on K Street and moved to the accessible Baltimore suburbs.
in a remote location ideal for planning and grassroots organizing.

These and other matters are discussed in detail in the following sections of this report.

US LEGISLATIVE ACTIVITIES

Soon after this convention period began, the midterm 2010 elections totally changed the landscape on Capitol Hill. Republicans seized control of the U.S. House of Representatives, and the new conservatives included at least 60 new Members who were endorsed by the anti-tax, anti-labor Tea Party. In addition, at the state level, right wing conservative governors and new legislative majorities held by the GOP threatened long-standing labor laws and transit funding.

Federal Legislative Issues

Surface Transportation Reauthorization Bill

During this period, the Government Affairs Department continued to push for legislation to reauthorize the federal transit program. The Safe, Accountable, Flexible, and Efficient Transportation Equity Act - A Legacy for Users (SAFETEA-LU), which provided long-term funding for the surface transportation program, expired in September 2009.

In July 2012, Congress finally came to an agreement and passed a transportation bill – HR 4348, Moving Ahead for Progress in the 21st Century (MAP-21). President Obama signed the bill into law, which will remain in effect through October 1, 2014.

We were quite disappointed with the outcome of the bill. In an effort to get legislation passed at any cost, the Democratically-controlled Senate acceded to House Republicans on a variety of issues that were critical to transit labor and our community allies. As a result, the bill known as Moving Ahead for Progress in the 21st Century (MAP-21) is actually a huge step backward – presenting us with even greater challenges than we have today.

Earlier in 2012, House Republicans could not even get enough support in their own caucus to pass their extreme bill – HR 7 – which would have gutted dedicated transit funding, mandated transit privatization, and excluded operating assistance.

As a result, the House simply passed a shell bill without any of those provisions, setting up a conference with the Senate to work almost exclusively off of the bipartisan Senate bill, which soundly addressed our issues. Senate Democrats therefore had the upper hand entering negotiations.

Funding

The final conference agreement provides a limited funding increase for federal transit programs, providing a total of $10.578 billion in authorized funding in Fiscal Year (FY) 2013 and $10.695 billion in FY 2014. Funding authorized from the Mass Transit Account of the Highway Trust Fund amounts to $8.478 billion in FY 2013 and $8.595 billion in FY 2014, with $2.1 billion authorized from the General Fund in each fiscal year.

Urbanized Area Grants under Section 5307 continue to be the largest program for federal investment in public transportation. But this program – which is key for medium and large cities – allocates only $4.398 billion in FY 2013, and $4.459 billion in FY 2014 for urbanized area programs. This compares to an estimated $4.552 billion in FY 2012. In contrast, the rural program, which is, of course, critical in Republican areas, received a whopping 30% increase in funding.

Transit Operating Assistance

The bill we had been fighting for, HR 3200, which would have provided operating assistance for transit systems in urbanized areas above 200,000 in population, was defeated by a two-vote margin in the House Transportation Committee during a markup session in February 2012. We therefore focused on the Senate and were able to get some language in that bill that allowed for operating assistance based on the unemployment rate.

In the end, Senate Democrats gave in to House Republicans and dropped the operating assistance provision. The fuel language was rejected as well. The final bill contains no language to help our cities survive this endless depression. We will likely continue to see fare hikes, service cuts and layoffs for an indefinite period.

See below for information on operating assistance for small cities. It provides at least a glimmer of hope, and actually impacts a good portion of our bargaining units.

Transit Privatization

HR 7, the original House bill, contained numerous provisions on privatization. The bill would have increased the federal share (from 80% to 90%) of the
capital cost of buses and equipment for public transit systems that contract out at least 20% of their fixed route bus service.

In addition, current law states that local transportation plans shall encourage to the maximum extent feasible, as determined by local policies, criteria, and decision making, the participation of private enterprise. The House bill would have deleted the language on local decision-making.

Also, the House bill for the first time would have allowed private companies to be direct recipients of federal funds.

While these provisions, which would have made permanent changes to federal law, were not included in MAP-21, the Senate did give in to House demands on a slew of very harmful one-time provisions:

The bill requires the Secretary of Transportation to take a whole series of actions, including 1) providing technical assistance to transit operators on practices and methods to best utilize private providers, and 2) educating recipients on laws and regulations that impact private providers, etc.

While the language requires that transit systems first make a request for such assistance, it is nonetheless a gross congressional overreach, and flies in the face of the federal neutrality concerning local privatization, which has been in place for decades. The bill requires the Secretary to publish guidance in the Federal Register regarding how to best document compliance by recipients on private sector participation, and also requires a rulemaking within one year.

During this period, we met with Federal Transit Administration (FTA) Administrator Peter Rogoff to discuss our concerns. He assured us that privatization was not a priority of the Obama Administration. Rather, FTA's priorities would focus on the safety sections of MAP-21, which for the first time gives the agency the authority to regulate such issues. It is unlikely that the FTA will have the manpower to turn its attention to the privatization mandates within the allotted time frame, and sequestration (automatic spending cuts) makes this even more unlikely.

In addition to the provisions above, the bill requires the U.S. comptroller general to submit to Congress a comprehensive report on the effect of contracting out public transportation operations and administrative functions on cost, availability and level of service, efficiency, and quality of service.

We did meet with representatives from General Accounting Office (GAO) to present our views on privatization. We explained that when cities contract out transit service, they lose control of their ability to respond to their citizens when service quality inevitably becomes an issue. The GAO is expected to complete its research and issue a final report in the fall of 2013.

Other MAP-21 Issues

Transit Benefits

The Senate bill also included language that would have increased the cap on tax-free transit benefits for transit riders to $240 per month – the same tax-free amount that a person can get for parking benefits. The transit benefit, which had actually been raised to the level of parking in 2009 legislation, dropped to $125 a month at the end of 2011, causing riders to dig deeper into their own pockets.

Incredibly, Senate Democrats gave in to House Republicans and dropped the provision to raise the benefit back to $240 per month in the final bill. However, the benefit was increased again to $240 temporarily through a year-end appropriations bill, and we are now supporting a new bill to make the benefit permanent.

Workforce Development and Training

The bill authorizes just $5 million annually from the General Fund for Human Resources and Training (Workforce Development). A new Innovative Public Transportation Workforce Development Program will promote and assist the development of innovative workforce development and human resource activities within the public transportation industry, but it does not come anywhere near scratching the surface of the actual training needs outlined in Rep. Jerrold Nadler’s Transportation Job Corps Act, which was written by ATU and endorsed by the American Public Transportation Association (APTA).

In addition, as earmarks were removed from the bill, the $1 million that was provided to the International Transportation Learning Center under SAFETEA-LU for maintenance training and career ladder programs will no longer automatically flow. The Center will be forced to function under competitive grant agreements.

Public Transportation Safety

The bill directs the Secretary of Transportation to develop safety standards for all transit systems (bus and
rail) and take into consideration recommendations by the National Transportation Safety Board (NTSB).

Transit systems are required to establish, and have certified, a comprehensive safety plan based on set criteria. Those states with rail fixed guide-way systems are required to have an approved state safety oversight program which establishes a state safety oversight agency that assumes oversight-related responsibilities. If a recipient is found to be noncompliant with safety requirements, the secretary may withhold federal funding or require up to 100% of federal funds be used for corrective safety actions.

**Program Consolidation**

The bill maintains the core 5307 formula and 5309 capital programs. Job Access and Reverse Commute (JARC) program activities will now be funded under the 5307 formula program. The Elderly and Disabled (Sec. 5310) and New Freedom (Sec. 5317) Programs are combined into a single program that will fund activities designed to enhance the mobility of seniors and individuals with disabilities.

The bill repeals the Clean Fuels Formula Program as well as the Transit in the Parks Program.

While we are not happy with the results of this bill, there are at least two positive aspects:

**Section 13(c)**

Although the original version of HR 7, the House Republican bill, waived Section 13(c) in the consolidation of certain transit programs, we succeeded in passing an amendment in the House to fix the issue. So, for the existing core federal transit programs — including the 5307 Formula Program, 5309 Capital Discretionary Program, and 5311 Rural Programs — 13(c) protections will remain the same as they were under SAFETEA-LU. Collective bargaining rights and job rights afforded under 13(c) will continue.

**Operating Assistance for Small Systems**

MAP-21 continues to provide the flexibility for small, urban transit agencies operating in areas of less than 200,000 to use federal funds for operating expenses — and includes, for the first time, operating flexibility for those in communities above 200,000 in population, given the following:

Urban systems that operate 75 or fewer buses in peak service hours, regardless of population, may flex up to 75% of their formula funds to operating expenditures.

Urban systems that operate a minimum of 76 buses and a maximum of 100 buses in peak service hours may flex an amount not to exceed 50% of their formula funds to operating costs.

We have analyzed this provision and determined that more than 100 ATU-represented properties will be granted significant operating flexibility under this provision.

**Over-the-Road Bus Safety**

During this period, we commenced a major campaign to address driver fatigue in the over-the-road (OTR) bus industry.

Four people were killed and dozens injured after a tour bus overturned on Interstate 95 in central Virginia in 2011. Fifty-seven people were on board, including the driver, when the bus ran off the road and overturned, landing on its roof. No other vehicles were involved in the crash.

Virginia State Police concluded, just hours after the accident, that the operator’s fatigue caused the crash. It was the fourth major OTR accident that spring — including a horrific crash in the Bronx that killed 15 people a few months earlier.

These accidents have, of course, been happening for years, but the severity and frequency of intercity bus accidents during this reporting period demanded that we raise the issue of driver fatigue like never before.

We drafted and released a new report, “Sudden Death Overtime”, which demonstrated in no uncertain terms that when an intercity bus crashes, especially when no other vehicles are involved, there is a high likelihood that the driver of that bus fell asleep at the wheel.

“Sudden Death Overtime” provides a history of the U.S. intercity bus industry, which was deregulated through the Bus Regulatory Reform Act of 1982. Market entry conditions into the industry were eased significantly as a result of that legislation, and applications for authority to operate have rarely been challenged.

Entry was liberalized to the point where any prospective carrier that was “fit, willing, and able” was granted authority. Minimum insurance coverage and knowledge of safety regulations are now basically the
only requirements to prove a carrier’s fitness to operate.

Hundreds of non-union intercity bus companies – usually tiny operations that have only a few buses – typically pay their bus drivers incredibly low wages. This environment has, of course, spurred a culture in which low-paid drivers must work 100 hours a week or more just to make a living. And, if they are not driving a bus for that many hours, there is an excellent chance that the driver works two or three other jobs in order to make ends meet.

Unsuspecting customers simply do not know that they are riding with drivers who are falling asleep because they never rest.

The National Transportation Safety Board (NTSB) investigated 16 fatal motor coach crashes between 1998, and 2008. According to the NTSB, driver-related problems were responsible for 60% of the fatalities occurring in the crashes investigated, while the condition of the vehicle accounted for only 20% of the fatalities.

Driver fatigue was responsible for 36% of the fatalities that occurred in the crashes investigated. It was the number one cause of fatal accidents, far above road conditions (2%), and inattention (6%). Other than vehicle condition, the next highest root cause was driver medical condition (18%).

Under the Fair Labor Standards Act (FLSA), covered nonexempt employees must receive overtime pay for hours worked over 40 per workweek at a rate not less than one-and-one-half times the regular rate of pay. However, intercity bus drivers are exempt from FLSA overtime provisions.

Congress apparently created this exemption to eliminate any conflict between the jurisdiction exercised by the Department of Labor over the FLSA and the mutually exclusive jurisdiction exercised by the Department of Transportation over hours of service issues. However, as stated in “Sudden Death Overtime”, there is no necessary inconsistency between enforcing rigid maximum hours of service for safety purposes while at the same time, within those limitations, requiring compliance with the increased rates of pay for overtime work.

Since intercity bus drivers are exempt from the FLSA’s overtime provisions, many drivers are forced to work second jobs during their so-called “rest period” in order to make ends meet. In our proposal we argue that an amendment to the FLSA is needed that would apply its overtime provisions – which for decades have covered the majority of American workers – to intercity bus drivers.

MAP-21 implemented recommendations by NTSB to improve passenger protection and industry oversight. DOT is required to issue vehicle safety standards to improve occupant protection on motor coaches including seat belts, roof crush strength, anti-ejection window glazing, tire pressure monitoring, and rollover prevention.

In addition, it includes tougher oversight and increases penalties for violations of motor carrier safety rules covering “reincarnated” carriers and out-of-service orders. Unfortunately, however, the bill still leaves passengers vulnerable because it ignores the key issue at the heart of intercity bus crashes – driver fatigue.

Senator Charles Schumer, D-NY, introduced legislation at our request to lift the FLSA exemption for intercity bus drivers. That bill died at the end of 2012, but he reintroduced it in 2013, and at the Spring 2013 GEB meeting, we began the process of setting up international vice president and representative meetings with U.S. Senators to urge them to cosponsor the bill. As this reporting period ended, that process was ongoing, and the bill will continue to be a major component of our future campaigns.

Federal Regulatory Issues

Following the passage of MAP-21, we submitted comments in response to the Federal Motor Carrier Safety Administration’s (FMCSA) notice on proposed rulemaking regarding the agency’s power over motor carriers that disregard safety compliance.

We supported FMCSA’s rulemaking to allow the agency to “suspend or revoke the operating authority registration of motor carriers that have egregious disregard for safety compliance or that permit persons who have shown egregious disregard for safety compliance to act on their behalf.” Such regulation is necessary as these “reincarnated” motor carriers, which often rebrand themselves as a different carrier in order to avoid safety compliance, are endangering the lives of bus riders and other motorists.

The ability to suspend or revoke the operating authority of these motor carriers can prevent many unnecessary accidents like the 2008 Sherman, TX, bus crash that killed 17 passengers. The crash investigation revealed that this bus company was the reincarnation of another operator with safety violations, both run by the same individual.
However, while this rule could prevent accidents like that in Sherman from occurring again, we noted that even if all of the reincarnated carriers were immediately taken off the road, the alarming increase in motor coach accidents on U.S. highways would likely continue because driver fatigue issues continue to be ignored.

We also commented on the FTA’s Interim Final Rule on the proposed implementation of the Public Transportation Emergency Relief Program. We urged the inclusion of Section 13(c) labor protections as grant requirements under the new section 5324.

State Legislative Issues

On November 2, 2010, an anti-incumbency mood and a slow-recovering economy fueled a massive upheaval in the election of officials on the state level. Republicans picked up 11 governorships. The split to begin 2011 was 29 Republican governors, 20 Democratic governors, and one Independent. Democrats suffered a loss of 21 state legislative chambers.

This was a particularly bad time to be losing control of statehouses, as legislative districts will be redrawn over the next several years following the 2010 Census. The new GOP governors in Wisconsin, Ohio, Florida, and Michigan openly discussed introducing major anti-labor legislation involving core collective bargaining rights, and quickly moved to attack Labor (see the Section 13(c) section of this report).

Privatization

During this period, more than 85% of transit systems cut service or raised fares, as the sales and property taxes that generally fund public transit dried up. This created the breeding ground for Veolia, First Transit, MV Transportation, and other private companies to appeal to local governments to contract out their transit service.

We assisted locals in more than a dozen states on privatization; creating and constantly modifying a presentation noting that transit privatization is based on questionable and at times false assumptions regarding competition, cost, and the mechanisms used to calculate these and other matters. We also point out recent examples of cities where Veolia, First Transit and MV Transportation failed to live up to lofty promises.

Finally, we stress that when cities privatize transit, they lose control of their ability to respond to the concerns of their residents when services are cut or quality becomes an issue. For example, Local 1287 (Kansas City, MO) used the presentation to convince the mayor not to go along with a city council plan to privatize KCATA services.

The presentation, and other materials were used quite effectively by our locals at state, provincial, and local levels of government. Other locals used these materials in Edmonton, AB, Pierce County, WA, Summit County, CO, Pittsburgh, PA, Niagara Falls, NY, Milwaukee, WI, Escambia County, FL, and other places.

We assisted Local 732 (Atlanta, GA) in their campaign to defeat a bill that would force MARTA to contract out the jobs of at least 800 ATU members. The shortsighted proposal was crafted by the chair of the committee that oversees the transit system (the largest in the nation without state funding).

A coordinated campaign involving several ATU departments and an unprecedented grassroots coalition led to the defeat of the measure. We invested significant office time in Atlanta to draw a line in the sand against Veolia, which is actively seeking to take over service in several cities. We fully expect this bill to resurface in 2014.

Just as this period was ending, legislators in Harrisburg, PA, were pushing for a bill that would require the Port Authority of Allegheny County – whose employees are represented by Local 85 (Pittsburgh, PA) – to contract out 10% of its service each year for the next ten years. We coordinated a lobby day with members of the state’s conference board to fight against another provision in the bill that could lead to privatization – a proposal to consolidate the commonwealth’s transit systems.

Funding

With gridlock persisting in Washington, DC, states are moving on their own to pass major transportation bills that will impact local communities for decades. ATU members are on the front lines in these debates, fighting for increased transit funding and pushing back against reckless privatization mandates that could cause transit workers to lose their benefits and jobs.

ATU locals across Massachusetts have joined a large coalition in support of the Public Transit, Public Good Campaign. Community-Labor United is an alliance of community-based organizations and labor unions formed to protect and promote the interests of low and middle-income working families in the greater Boston area, and transit is at the top of their agenda this year.

In January 2013, Governor Deval Patrick (D), unveiled a major transportation bill to invest in infrastructure
and change outdated policies. Community-Labor United is working with legislators to incorporate progressive ideas into the proposal, including a more equitable fare structure, putting workers and riders in decision-making roles, and establishing a dedicated source of revenue for public transit.

Indiana legislators are considering a bill that would double the size of the IndyGo transit system and authorize a ballot measure to allow Indianapolis area residents to vote on whether to build a light rail system in the region.

Last year, ATU objected to the bill because it contained a provision stating that workers in the new transit system would not have to join a union. This year, lawmakers dropped that provision, paving the way for Labor support.

Now ATU is working on the same side as business interests in support of this groundbreaking legislation.

Transit Safety

We provided assistance to our local in Delaware on the issue of transit worker assault. We drafted legislation for Local 842 (Wilmington, DE) that became HB 87. The bill includes transit operators in the list of other positions, such as volunteer firefighters and paramedics, which result in heightened levels for crimes in which the operator was a victim.

Under the legislation, a person who intentionally causes physical injury to a public transit operator acting in the lawful performance of his or her duty is guilty of an assault in the second degree – a Class D felony.

A person who intentionally causes serious physical injury to a public transit operator who is acting in the lawful performance of his or her duty is guilty of an assault in the first degree – a Class B felony.

The bill passed both houses of the legislature and was signed by Governor Markell (D), making Delaware the 30th state to pass a law providing for specific penalties in connection with harming transit and school bus employees.

We also provided model testimony to Local 1005 (Minneapolis/St. Paul, MN) on the assault issue and drafted a bill for our locals in Missouri.

Other Issues

In Maryland, we drafted testimony for Local 1300 (Baltimore, MD) in solidarity with the thousands of Baltimore area transit riders who rely on bus and rail service to get to work every day in strong opposition to a Maryland Senate bill which would increase from 35% to 50%, for fiscal year 2013 and thereafter, the percentage of operating costs for specified public transit services that the MTA must recover from fares and other operating revenues.

With the state’s economy still struggling and people desperate to make ends meet, we stated there could not be a worse time to pass this legislation.

There are two basic ways to achieve an increased fare box recovery rate – increased fares or dramatic reductions in service. According to the recent report by Maryland’s blue-ribbon commission on transportation finances, it would take a sizable fare increase – hypothetically raising the base bus fare from $1.60 to $2.25 – to simply meet the current 35% farebox recovery rate that the legislature expects from its transit properties.

That move alone would deal a serious blow to MTA, since it is well established that increasing fares causes a reduction in ridership. The bill died.

Local 1300 also requested us to draft testimony in opposition to a bill requiring the MTA to activate the audio recording device on agency vehicles that are so equipped. We argued that the issue of transit operator assault exists on transit systems of all sizes, whether or not the system uses audio devices to capture sound from employees and passengers.

We also noted that the transit systems, nationwide, which use audio have not reported that it has deterred any criminal activity, nor does audio add any assistance when it comes to identifying offenders after the fact. Video cameras, of course, have made a difference in some areas, including in Baltimore, especially in the identification stage.

We also stated that if the committee moved forward with this measure despite our concerns, it should consider adding language that would prohibit using such audio devices for disciplinary purposes. The bill was reported unfavorably from the Finance Committee and then withdrawn from further consideration just days after the hearing.

We continue to push for legislation requiring labor representatives to sit on the boards of transit authorities. We prepared testimony for Local 1338 (Dallas, TX) on a bill that would provide a seat for an ATU member on the Dallas Area Rapid Transit (DART) board.

In New York, we assisted the state Conference Board’s Albany-based lobbyist on an important school bus bill
affecting Local 1181 members. ATU strongly supported A-3127-A/S-1368-A, a bill relating to contracts for the transportation of children in the City of New York.

The bill provided for employee protections in the bidding process for pre-kindergarten special education transportation in the city. Following several years in which the legislature blocked the legislation for various reasons, the bill finally passed both houses in 2011.

Unfortunately, Governor Andrew Cuomo (D), vetoed the legislation. Therefore, we worked with Local 1181 to develop language for a new bill that focuses on the evaluation of proposals rather than employee protections. Even though the bill was signed into law, it was not enough to avert a strike.

Public Transportation Ballot Measures

Nationwide, voters continued to show their support for transportation investment by approving more than 70% of transit ballot measures across the U.S. On Election Day 2010, 22 out of 30 measures were approved in 13 states. Nearly $500 million in funding over five years was approved, ranging from modest property tax increases in small towns that will help preserve transit service to major bonds and other fees that will finance large-scale capital projects and operating expenses. ATU locals played a major role in several campaigns.

2010

California

The most significant measure that passed in 2010 was California Proposition 22. The vote provides hope that the state’s transit systems may soon gain access to funds that have been shut off in recent years. The measure constitutionally protects more than $1.8 billion per year in state and local funding for transit, and prevents these funds from being raided, diverted or outright stolen as part of the state budget process. With nearly $3.5 billion having been raided over the past three years by then-Governor Schwarzenegger, (and with state funding for transit operations at one point eliminated entirely), transit supporters fought back by putting the issue in the voters’ hands.

Washington

The International provided financial assistance to Local 587 (Seattle, WA), which joined the Washington State AFL-CIO in a campaign to kill I-1082. This initiative, financed by right wing interests, would have privatized Washington’s workers’ compensation system. Business and labor interests regularly battle over the system in the state’s legislature. Businesses generally complain about the cost of premiums, the state’s management practices, and relatively sizeable benefits for injured workers. Labor officials argue that the system protects workers better than a private one by forsaking profits. They note that when a profit motive is brought into a workers’ compensation system, there is a danger of claims being denied and delayed for a long time. Nearly 60% of voters rejected the measure.

2012

On Election Day 2012, voters approved over two-thirds of proposed ballot measures supporting public transportation.

Americans for Transit (A4T) worked with ATU locals and numerous community organizations to win for transit all across the U.S. The Government Affairs Department tracked the measures as they made their way to the ballot, making recommendations on various campaigns in need of financial contributions, and coordinating with A4T on appropriate campaign materials and activities. Three notable campaigns happened as follows:

Columbia, SC (WIN)

Grassroots energy and power delivered an Election Day win for riders and operators in South Carolina. Voters in Columbia said yes to a one-cent sales tax that will increase transit funding by millions in the years ahead. Local 610 (Charleston, SC) worked in a coalition with the South Carolina Progressive Network to advocate for the measure. They focused on educating and turning out transit supportive voters.

Tacoma, WA (LOSS)

Voters in Pierce County, WA, were asked to increase their sales tax in order to restore and save transit service. Despite rigorous campaigning from Local 758 (Tacoma, WA) and transit advocates, the election was lost by 700 out of about 200,000 votes cast. As a result, beginning in September 2013, Pierce Transit will be forced to significantly cut back bus service.

Sylvania & Spencer, OH (WIN)

Residents of two towns in the Toledo, OH area were
asked if they wanted to leave their regional transit service area (TARTA). Local 697 (Toledo, OH) worked with A4T and the Government Affairs Department to beat back these proposals. We worked with the Communications Department to create fliers similar to the ones used in the national campaign for transit. Through strategic outreach, the conversation was changed from reducing taxes to saving service for the people who depend on it.

*Weston Village, OH (WIN)*

Earlier in 2012, even as they voted against the recall of anti-union Governor Scott Walker (R), citizens of Weston Village, WI, overwhelmingly approved a measure that required the village to provide public transportation at least five days per week beginning January 1, 2013. The vote overturned a decision by the village board ending funding for Metro Ride service. Led by Local 1168 (Wausau, WI) and a coalition of transit advocates, nearly 64% percent of Weston voters cast ballots in favor of public transportation.

**POLITICAL ACTIVITIES**

The Government Affairs Department met with dozens of U.S. House and Senate candidates during this reporting period. We endorsed and gave financial support through COPE (see below) to many promising candidates based upon their views on our core issues and their likelihood of success.

For decades, in mid-term and U.S. presidential election cycles, the International provided financial assistance to local unions for lost time, allowing locals to release staff directly to state AFL-CIO operations in support of labor-friendly candidates. This was the extent of the political program. Little monitoring occurred and ATU members were generally lost in the shuffle of state federation programs.

During this convention period, we ended this practice, and allowed lost time reimbursement only for locals willing to release workers for activities overseen by the International that were targeted at injecting transit issues into local campaigns. Even so, lost time was generally discouraged in favor of a new program to create an army of volunteers throughout the U.S. to engage the public at transit locations, build coalitions, and encourage transit riders to vote.

We ended 2010 with the first of two “Boot Camps” – meetings in which we brought together local union presidents and transit advocates (including environmentalists, faith-based organizations, and others) to discuss working together in cities across America to generate grassroots support for transit. Remarkably, in several cases, we united people working on identical issues from the same city who had never actually met before. In succeeding years, through Americans for Transit, we nurtured these relationships, and several successful campaigns were fought in cities throughout the United States.

The effort peaked during the fall of 2012 with a coordinated effort by the Field Mobilization, Communications, and Government Affairs Departments. We trained leaders, changed the ATU culture and engaged in an unprecedented member mobilization effort utilizing new communications technology. We spent the better part of the fall 2012 election campaign engaging riders and building broad coalitions to support pro-transit, and pro-worker candidates, and putting transit on the national agenda like never before.

**‘I’M IN’ Campaign**

We began the process by getting ATU members to commit to volunteer to build a stronger ATU, creating a viral movement of ATU members through photos with “I’M IN” signs all across the nation.

**Rocking the Transit World**

In late October 2012, we brought more than 300 ATU members and officers from 117 locals representing 38 states into simultaneous, hands-on training in Cleveland, OH, and Denver, CO (two key battleground cities in the U.S. presidential election). The training focused on methods of approaching transit riders, and how to engage ATU members and create local action plans.

The event included an unprecedented national web simulcast, streamed live online, which featured speakers from both Cleveland and Denver. The event – “Rocking the Transit World” – which was viewed by thousands of ATU members across North America (some local unions held viewing parties to watch the event together), was an incredible success. The event featured videos made for ATU by President Bill Clinton, Rep. John Lewis, D-GA; New Mexico Gov. Bill Richardson; and Rep. Earl Blumenauer, D-OR. A stirring live speech by Ohio State Senator Nina Turner was the highlight of the evening.

The rest of the week was spent on outreach activities to engage members and the community. We first visited
garages to engage and recruit member volunteers. The next day was spent leafleting passengers at bus stops, on vehicles, and at transit centers, thanking them for riding transit and encouraging them to vote.

In each city we coordinated public rallies featuring pro-transit speakers. In Cleveland, First Lady Michelle Obama’s brother, Craig Robinson, was the keynote speaker at a church filled with ATU members from all across the U.S. We also engaged in get out the vote efforts in Cleveland and Akron for weeks after the training, transporting dozens of people to register and vote.

When they left Denver and Cleveland, our local union presidents distributed the same literature they handed out in Denver and Cleveland to transit riders in their communities in a nationwide coalition building campaign. When they ran out of leaflets, they kept ordering more until they surpassed one million handed out across the United States in October.

Getting that volume of flyers out at bus stops proved invaluable, and our members were excited and anxious to organize riders to vote. Many reported that it felt like doing door-knocking and home visits with an extra layer of excitement because it was done in a group, and workers got to see riders on multiple days – starting a real buzz.

Candidates Ride the Bus

In addition, we invited dozens of U.S. House and Senate candidates to ride the bus or train or hold an event at a transit location. Fifty-six candidates nationwide came out and rode the bus during the month of October, and all but 12 won in November. In each event, the focus was solely on the importance of public transit to the local community. Candidates appreciated the volume of people that they were able to reach in a short time at transit locations across the country.

Following our nonpartisan transit activities, we then turned to the business of reelecting President Obama, keeping the Senate in Democratic hands, and cutting into the GOP majority in the House. More than 82,000 pieces of mail went out to ATU members’ households in battleground states. Over 52,000 had a state-specific message (i.e. also endorsed a congressional candidate or ballot measure). More than 20,000 active and retired members received a rundown of Obama’s position on transit compared to his GOP opponent, Mitt Romney. In addition, 9,000 school bus members received a special mailer just for them.

Tens of thousands of flyers went out to members and were distributed to the riding public by local member volunteers in the following contests: Elizabeth Warren (Massachusetts), Chris Murphy (Connecticut), Tim Kaine, (Virginia), Tammy Baldwin (Wisconsin), Shelley Berkley (Nevada), Nick Rahall (West Virginia), California Proposition 32, and Michigan Proposition 2.

ATU-COPE

ATU-COPE played a major role in retaining Democratic control of the Senate. We contributed nearly $150,000 directly to candidates or state parties, and provided the Democratic Senate Campaign Committee with $20,000. We maxed out and also gave money to state parties in support of 13 candidates in key Senate races, and on Election Day all but one (Berkley) won. On the House side, we provided important late support to several vulnerable incumbents who were able to use our funds for last minute television buys, pushing them across the finish line. We also supported several challengers who won, narrowing the GOP lead in the House.

COPE-PLUS

A key component of our new political program, authorized by the GEB soon after this convention period began, is known as COPE-PLUS. Under this program, if a local union increases COPE contributions from one year to the next, the International will send back to the local each dollar above the previous year’s contribution amount, and match it as well. However, this program can only be used by local unions to finance local coalition-building in support of campaigns concerning issues that affect ATU members (such as privatization or transit funding, for example). During this period, several locals large and small took advantage of the program, increased contributions, and were able to use the seed money from COPE-PLUS to launch effective issue-oriented campaigns.

ATU-COPE Local Union Awards

Each year, the local that contributes the highest dollar amount to the ATU-COPE program, as compared to locals within the same membership size category, is awarded the Chairman’s Award. Likewise, the local union with the highest percentage of active members enrolled in an ATU-COPE club, as compared to locals within the same membership size category, is awarded the President’s Award. These award winners receive an engraved wall plaque and special recognition at the next Legislative Conference. The following locals received awards from 2010-2012:
**ATU-COPE Patriot Award**

The ATU-COPE Patriot Award is awarded to the individual member who contributed the highest dollar amount to ATU-COPE that year. The Patriot Award winner is presented with an engraved wall plaque at the ATU’s annual Legislative Conference. For the year 2010, Local President Dale Anderson, 519 (La Crosse, WI) received the award. For the year 2011, Paul Kaplan, 1577 (West Palm Beach, FL), received the award. In 2012, Dale Anderson won once again.

**Canadian Legislative Issues**

During the reporting period the Government Affairs Department assisted Canadian locals on legislative matters on both the federal and provincial levels. At the request of the Canadian Council, we drafted policy briefs and recommendations on a national transit strategy in support of a proposal by MP Olivia Chow, the NDP transport and infrastructure critic.

Chow’s bill calls for a “National Transit Strategy” and is widely celebrated by mayors and municipalities from coast to coast to coast. In our brief we too call for a strong federal role in providing the resources necessary to maintain and improve the quality of Canada’s public transportation systems.

We contend that a strong federal capital program is needed to keep up with Canada’s ever-growing infrastructure needs. Funding should be robust and predictable. In addition, operating assistance is needed to keep essential service on the street.

On behalf of Locals 588 (Regina, SK), 615 (Saskatoon, SK), and 1374 (Calgary, AB), the Government Affairs Department submitted comments on the minister of labour relations and workplace safety’s consultation paper on the Renewal of Labour Legislation in Saskatchewan.

Under consideration are essential services legislation, union financial disclosure procedures, notice requirements, collection of employees’ wages after business closure, variable hours of work to meet the needs of both employers and employees, indexation of the minimum wage, and much more.

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This sweeping labour law review could make Saskatchewan the only province with a single piece of legislation governing multiple aspects of labour relations and workplace safety.

We limited our comments to the question of turning Saskatchewan into a so-called right-to-work (RTW) province. We noted that ATU and other AFL-CIO labour affiliates in the U.S. know all too well the experience of workers in the 23 RTW states that prohibit unions from requiring a worker to pay dues, even when the worker is covered by a union-negotiated collective bargaining agreement.

Such laws provide that unions must represent every eligible employee, whether he or she pays dues or not. In other words, RTW laws allow people to pay nothing and still get all the benefits of union membership.

Our proposal noted that while the national unemployment rate in Canada still hovers well above 7%, Saskatchewan’s unemployment rate continues to lead the nation at 4.5%.

We questioned why the government would want to risk future growth by making changes to the Labour code, the bedrock of its shared prosperity which has provided social and economic stability for citizens for decades.

Finally, we said, the citizens of the province have the right to know that weakening unions will have a direct impact on the wages and benefits of working families who live in Saskatchewan and spend their hard-earned money in the businesses that serve as the backbone of the community.

FEE OBJECTOR SYSTEM

Throughout this reporting period we continued to administer the International’s fee objection procedures in compliance with the constitutional requirements established by various Supreme Court opinions, lower court decisions, and agency rulings applicable to those public and private sector employees working under U.S. contractual union security provisions.

On three occasions, we published in the In Transit a statement of laws and procedures detailing such matters as the registration of objectors, necessary auditing, and the referral of challenges to an impartial decision-maker.

On an annual basis, we conducted our own internal review of chargeable and non-chargeable expenditures by the International. Our computations were then audited and verified in a report prepared by the Union’s independent certified public accountants.

In light of our favorable experience with this process, we have recommended the implementation of similar auditing review procedures at the local level and have continued to assist local unions in the establishment of their own fee objector systems.

Over the course of these three years, we responded to a significant number of local union requests for assistance in maintaining record-keeping systems and/or in determining the chargeable percentage of local union dues. With guidance from the International’s legal and accounting staffs, international vice presidents, trained to conduct fee objector audits, have also provided invaluable service to the various local unions seeking such aid.

The periodic financial secretary seminars once again incorporated a training segment intended to introduce this issue and to teach those in attendance the basic principles of record-keeping and local fee objection procedures.

In addition, we have continued to assist local unions in developing collective bargaining language to comply with U.S. constitutional requirements and various state statutes.

TRUSTEESHIPS

During this convention cycle, the two previously reported trusteeships of Locals 1754 (Lawrence, KS) and 282 (Rochester, NY) were terminated. But there were five instances during this three-year period in which the International Union needed to impose a trusteeship upon a local. Only two of the local unions, however, remained under receivership at the end of this convention-reporting period.

Imposing a trusteeship upon a local union is, of course, an extreme measure, which entails significant costs and manpower burdens upon the International. Trusteeships are thus instituted only when they are deemed necessary to secure compliance with our Constitution or to otherwise further the legitimate objectives of our Union.

Despite the need to impose a total of five trusteeships over the past three years, the vast majority of our locals have appropriately observed and carried out the requirements of our Constitution and General Laws in their performance of official duties advancing the interests of our ATU brothers and sisters.

Local 1754 (Lawrence, KS)

The trusteeship of Local 1754 (Lawrence, KS), which
commenced in the previous convention cycle on April 16, 2009, was prompted by the local union's abdication of its responsibilities, including the local union's failure to satisfy federal reporting requirements, failure to negotiate for the deduction of members' dues from their paychecks, and a lack of appropriate controls safeguarding union funds.

As a result of the assistance provided by International Vice President Javier Perez, the issues faced by the local union and its membership were adequately addressed, and local union autonomy was restored on January 1, 2011.

**Local 282 (Rochester, NY)**

The previously reported trusteeship of Local 282 (Rochester, NY) was imposed on January 22, 2010, to correct the mismanagement of the local union's funds and its failure to properly address a backlog of 300 grievances pending arbitration. The trusteeship was lifted on July 1, 2011. By that time the issues faced by the local union and its membership had been adequately addressed through the assistance provided by International Vice President Gary Rauen.

**Local 878 (Evansville, IN)**

Upon authorization granted by the General Executive Board, Local 878 (Evansville, IN) was placed into immediate temporary trusteeship on January 25, 2011. The trusteeship was precipitated the discovery of a plan by certain local union members to withdraw from the Amalgamated Transit Union and form an independent transit union. This raised significant procedural, legal and financial issues, which needed to be investigated and addressed.

Members of Local 878 made deliberate plans to disburse most of its monies to each member and a “needy person” before informing the International of its decision to withdraw.

Moreover, at no point leading up to or after the withdrawal from ATU did the local forward all property, books, charter, seal and funds to the International as required by Section 17.1 of the Constitution.

The International Union wound down Local 878 in accordance with applicable provisions of the ATU Constitution and applicable state and/or federal law. Upon the dissolution of Local 878, the imposed trusteeship was terminated.

**Local 1593 (Tampa, FL)**

On May 20, 2011, Local 1593 (Tampa, FL) was placed into immediate, temporary trusteeship upon authorization by the General Executive Board. The trusteeship was necessitated by several problems that prevented the effective administration and functioning of Local 1593, including financial malpractice, failure to comply with IRS reporting requirements, and failure to comply with the local's bylaws and the International Union's Constitution and General Laws.

The local was insolvent as of June 22, 2011. There was an outstanding judgment of $172,300 against the local in a breach of the duty of fair representation case. The local's assets consisted of only $9,800 in cash, and a limited amount of office furniture and computer equipment.

Additionally, there was a lack of democratic procedures, and a lack of membership involvement in governance of the local. These deficiencies occurred despite attempts by the International Union to encourage Local 1593 to adopt proper practices which included the International Union's preparation of an audit report that laid out clearly the local's deficiencies and made recommendations for correcting problems.

International Vice President Rafael Rivera as trustee addressed the issues faced by the local union and its membership, and representative functions were successfully restored to the local's membership on September 4, 2012.

**Local 1385 (Dayton, OH)**

The trusteeship of Local 1385 (Dayton, OH) was initially prompted by apparent instances of financial malpractice and malfeasance exacerbated by the local’s lack of effective internal financial oversight; apparent schemes to enrich the local union president at union expense; the financial circumstances impacting the local union; the lack of democratic procedures in the local union; and, despite the significant and repeated efforts by the International to encourage the local to take the steps necessary to improve its situation, the local’s failure and apparent inability to implement appropriate bylaws.

As a result of the assistance provided by International Vice Presidents Rodney Richmond and Gary Johnson, Jr., the issues faced by the local union and its membership were adequately addressed and the local union’s representative functions were successfully restored to its membership on June 4, 2012.
Local 241 (Chicago, IL)

Local 241 was placed into immediate, temporary trusteeship on September 12, 2011, upon authorization by the General Executive Board. The trusteeship was necessitated by several problems that prevented the effective administration and functioning of Local 241 (Chicago, IL).

The problems included, but were not limited to the failure to control expenses consistent with its then current resources; a multi-million dollar liability owed to the Local Union Officers and Staff Pension Plan, including a $750,000 payment due September 15, 2011, for which the failure to pay could have resulted in a 100% tax; a lack of appropriate controls safeguarding the local union’s finances, books and records; and rising and unpaid arbitration fees and expenses.

International Vice Presidents Javier Perez and Marcellus Barnes were appointed as trustees. Brothers Perez and Barnes continue to provide Local 241 with guidance as trustees, and have made progress in addressing the issues faced by the local union and its membership.

Local 1195 (Harrisburg, PA)

Upon authorization granted by the General Executive Board, Local 1195 (Harrisburg, PA) was placed into immediate, temporary trusteeship on May 7, 2012, to assure the performance of the local union’s duties as a lawfully designated collective bargaining representative, restore democratic procedures, and to otherwise carry out the legitimate objectives of the International Union. This action by the Union was the result of the discovery of several issues severely impacting the effective administration and functioning of Local 1195.

The issues included, but were not limited to actions impairing the effective functioning of the local union and its ability to carry out its duties as a lawfully designated collective bargaining representative; nonfeasance in office by the union’s principal officers; the local union’s failure to timely satisfy its per capita financial obligations to the International; the local’s failure to satisfy federal reporting requirements; and failure to take steps to address its situation despite significant and repeated efforts by the International to encourage such steps.

During the course of the trusteeship, Local 1195’s sole employer shut down its terminal, and laid off all employees represented by the local union. As of the close of this reporting period, International Vice President Charles Watson, as trustee, was working to negotiate satisfactory severance pay, and to wind down the affairs of the local.

APPEALS TO THE 57TH INTERNATIONAL CONVENTION

Appeal No. 1: Andrew Price
Local 587 (Seattle, WA)

This is an appeal submitted by Brother Andrew Price, a member of Local 587 (Seattle WA), from a decision of International President Hanley with respect to the representation provided by Local 587 involving the processing of his seniority grievance.

In a decision, affirmed by the General Executive Board, International President Hanley held that Local 587 adhered to all applicable standards with respect to the processing of Brother Price’s grievance and saw no evidence indicating any arbitrary, discriminatory or bad faith conduct in the handling of, or the decision not to take the grievance to the second step.

By way of background, by letter dated February 12, 2012, to the International, Brother Price appealed the decision of his local union not to submit his seniority grievance to the second step against King County Metro. Brother Price had filed a grievance on the grounds that newly hired full-time drivers were provided with full-time seniority status in violation of the union contract.

In the course of the International President’s investigation, it was found that the “newly hired full-time drivers” were exercising their option to change classifications without the penalty of losing seniority status. The union contract specified that an employee who is promoted or transferred to a different classification and later returns to the previous classification, shall be reinstated to the position in seniority order as previously held.

The grievance was denied at the first step because no contract violation was found. Thereafter, the local’s executive board decided that Brother Price’s grievance was without merit. Based on its conclusion, Local Union 587 denied Brother Price’s request to pursue his grievance further.

Appeal No. 2: Philip Williams
Local 1181 (New York, NY)

This is an appeal submitted by Philip Williams, a member of Local 1181 (New York, NY), from a decision of International President Hanley with respect to the representation provided by Local 1181 involving the processing of his termination grievance.
In a decision, affirmed by the General Executive Board, International President Hanley held that Local 1181 adhered to all applicable standards with respect to the processing and decision-making of Brother Williams’ grievance, and found no evidence indicating any arbitrary, discriminatory or bad faith conduct in the handling of, or the decision not to submit the grievance to arbitration.

By way of background, by letter dated May 9, 2011, Brother Williams appealed the decision of his local union not to arbitrate a grievance challenging his termination from Pierce Coach. Pierce Coach terminated Brother Williams for allegedly sexually harassing a coworker. On March 4, 2011, the company received evidence demonstrating that Brother Williams had sent sexually harassing text messages to a coworker.

On March 7, 2011, Local 1181 convinced Pierce Coach to agree to a last chance agreement in lieu of terminating Brother Williams. On March 10, 2011, the company received a report concerning another incidence of sexual harassment, which occurred prior to March 4, 2011. On the basis of this new allegation of sexual harassment, the company terminated Brother Williams.

The local executive board considered the nature of the allegations concerning Brother Williams, and determined that it would not be able to prevail in arbitration. Consequently the local union decided not to arbitrate the company’s termination of Brother Williams.

The first challenge alleged that Local 26 improperly advised members that they needed to be in good standing by May 26, 2010, in order to vote in the May 28, 2010, election. Section 21.9 of the CGL obligates each member to ensure that he or she has timely paid all dues, fees and assessments necessary to remain in good standing. The investigation by the International found no indication that anyone was disenfranchised by the setting of the May 26, 2010, deadline. As a result, the appeal on this challenge was denied.

The second challenge alleged that certain candidates were given access to the membership list by virtue of their having participated in the creation of the list, while others were unable to review the list until the day of the election. Based on the undisputed facts, International President Hanley found that certain candidates received an unfair advantage over those who could not meaningfully review and use the membership list due to the failure of the local to provide the list prior to election day. The appeal on this challenge was sustained.

The third challenge alleged that individuals not on the eligible voter list were prevented from voting under challenge, and that the challenged ballots of those who were allowed to vote were handled improperly. IVP Johnson’s investigation found that certain individuals not on the voter eligibility list were not allowed to vote even though they may have been, in fact, entitled to vote.

There was, therefore, the possibility that other unidentified members eligible to vote under challenge were disenfranchised, and that the outcome of the elections were affected. As a result, the challenge was sustained with regard to prohibiting individuals from voting instead of allowing them to vote under a challenged ballot. The investigation by the International found no misconduct on the part of the local with regard to the actual handling of the challenged ballots.

The last challenge alleged that retirees were improperly allowed to vote in the president and financial-secretary races, and that one retiree was improperly allowed to voice objections to challenges to the elections. In accordance with Section 21.13 of the CGL, retirees are allowed to cast their votes in the election of the president and financial-secretary who are officers “elected by the entire membership of the L.U.,...” Moreover, the voicing of an objection by a retiree is also within the rights of a retiree in good standing under Section 21.13. The appeal was, therefore, denied.
Based on the findings regarding the membership list and failure to allow individuals to vote under a challenged ballot, the International President ordered that the elections be rerun.

**ATU MS RESEARCH FUNDS**

The ATU Multiple Sclerosis Research Funds have been supporting medical research aimed at finding a cure or preventative treatment for multiple sclerosis for over two decades. During this convention period the funds contributed $280,000 to medical research, bringing total contributions since its inception to over $2.1 million.

Our primary source of income continues to be our annual golf tournament. Held at nearby courses in the Maryland suburbs, local union officers, members, vendors and employer representatives from throughout the U.S. and Canada participated in these annual events.

Local 113 (Toronto, ON) has continued to lead the Canadian fundraising and serves as an exemplar for our locals. Between the Local 113 fundraising drives and their annual old timers hockey league contest that features NHL players and local members, Local 113 raised over $104,000 for our MS Funds during this convention period. We would also like to thank Locals 589 (Boston, MA); 1181 (New York, NY); 1277 (Los Angeles, CA); and 1572 (Mississauga, ON) for their sizeable contributions.

During this convention period, the money raised by the Fund in Canada was presented to Dr. John Roder of the Samuel Lunefeld Research Institute at Mount Sinai Hospital in Toronto, ON, to further assist in his continuing research efforts, and to the MS Society of Canada Research Fund. This institute is one of the world’s leading centers of genetically-based MS research. U.S. donations were also contributed to the National Capital Chapter of the National Multiple Sclerosis Society.

There have been exciting advances during this convention period in multiple sclerosis medical research. We continue to hope that a cure will be found, and we will continue our battle against MS until that occurs.

**ATU SCHOLARSHIP PROGRAM**

The ATU Scholarship Program, established by the General Executive Board over two decades ago, awards five college scholarships, and one post-secondary technical or vocational school scholarship (whenever qualified applications are submitted) on an annual basis.

Those eligible for the scholarships include all ATU family members who will be commencing post-secondary education for the first time in the coming year. International officers, staff, and employees are deemed ineligible, as are their dependents.

Recipients and alternates are chosen by a distinguished committee of eminent community, academic, and labor leaders. No ATU member participates in the selection process.

Each applicant is carefully evaluated on the basis of his or her scholastic record, community involvement, and extracurricular activities, as well as the quality of a required essay on a specified, labor-related topic.

For each award bestowed, the ATU deposits $5,000 ($2,000 for a vocational or technical scholarship) with the accredited university or school the winning student is to attend.

The scholarships are awarded in memory of ATU officers and/or members whose contributions have exemplified the spirit and objectives of our great Union.

During this convention cycle the 2010 awards were conferred in memory of the **Bruce Foster**, the first ATU African-American international vice president, who passed away in 2009. Brother Foster joined Local 268 (Cleveland, OH) in 1949, eventually becoming the first African-American local union president elected to that post by Local 268 in 1968. Thereafter, Brother Foster was elected as an international vice president at the 1971 International Convention, and was re-elected to that office at every subsequent Convention until his retirement in 1986.

The 2011 scholarships were conferred in memory of the **Stuart Snowden**, retired international vice president, who passed away in 2009. Brother Snowden served as an international vice president for ten years before his retirement in 1980. He became a member of Local 1374 (Winnipeg, MB) in 1947, as an employee of
Greyhound Lines of Canada. He served as a shop steward from 1950 – 1952, and thereafter as an executive board member. In 1959, he was elected secretary-treasurer/business agent of the local. He was appointed as an international representative in 1970, and international vice president later that year.

The 2012 awards were conferred in memory of Gary Mauer, retired international representative, from 1989, until his retirement in 2008. He passed away in 2010. Brother Mauer joined ATU in 1976, when he was employed as a Greyhound driver. He was a member of Local 1174 (New Orleans, LA). He served as a local union committeeman from 1980 – 1983, and subsequently became chair of the local’s COPE program. After Local 1174 merged with Local 1600, Brother Mauer served as editor of the local’s newspaper and as the recording secretary of the Lafayette Central Labor Council. He served the International as an organizer and representative for nearly 20 years. During that period he earned a well-deserved reputation for his fearless commitment and passion for organizing and his dedication to labor rights, civil rights and social justice.

The 2013 scholarships will be conferred in memory of Gunter Bruckner, retired General Executive Board member who passed away in 2012. Born in 1931, in what would become East Germany, he worked in a flourmill after World War II. Seeing no future in Communist East Germany, Brother Bruckner snuck across the border to West Germany and immigrated to Canada in 1952. He joined Local 583 (Calgary, AB) when Calgary Transit hired him in 1957. He was elected executive board member and shop steward in 1961, recording secretary in 1971, and financial secretary/business agent in 1975. Gunter was elected to the steering committee to create the ATU Canadian Council in 1977 – which was approved by the 1981 International Convention that also elected him to serve as a member-at-large of the General Executive Board. He retired in 1987.

**ATU Disaster Relief Fund**

During this convention period, we displayed our union solidarity by making substantial contributions to the Disaster Relief Fund – a charitable fund established to provide for the needs of ATU and fellow trade unionists when calamities strike. We utilized the Disaster Relief Fund in the wake of several unfortunate natural disasters that affected our members and their families.

In 2011, members contributed to the Relief Fund to help fellow members who were devastated by a tornado in Tuscaloosa and Birmingham, AL; and Jackson, MS. And in 2012, members contributed to the fund to help brothers and sisters along the Northeastern coast of the United States devastated by Hurricane Sandy. And this year members contributed to the fund to help members hurt by a tornado that ripped through Oklahoma City, OK, and floods in Calgary, AB.

Members submitted their contributions online through the ATU website, or mailed them in with forms published in *In Transit*.

**Education, Training & Conferences**

Over the past three years education and training of local union members has been a top priority. ATU’s educational and training initiatives have been dramatically expanded and improved to become one of the most innovative and comprehensive programs in the labor movement.

The goal of our educational programs is to empower local union members by providing them with the critical tools, skills and knowledge to be effective and influential leaders not only in their local unions, but also in their communities. In our ongoing efforts to provide members with the best possible training, our education initiatives and programs are constantly changing to meet the demands and needs of our locals.

The International continues to offer skills training in the administration of a union contact and effective management of a local union through classes focusing on grievances and arbitrations, new president’s training, fiduciary responsibilities, financial-secretary training, U.S. and Canadian labor law, collective bargaining, and other core skills.

Recognizing that organized labor, the transit industry and working families have been faced with unprecedented attacks, and that our members need to be equipped with new skills and training to fight back, we have developed new innovative training programs in the areas of political mobilization, coalition building,
and passenger organizing around the U.S. transit crisis; the war on America’s middle class, the new political economy, rider engagement, communications, social media (Facebook, Twitter, etc.) and others.

During the convention period 79 training seminars and programs were conducted, reaching some 3,000 union members representing 241 locals, in 79 cities across North America. Below is breakdown summarizing the major training programs and conferences over the past three years.

**Boot Camps**

Working with Good Jobs First, ATU developed and conducted innovative community development training “Boot Camps” that provided members hands-on training and education in coalition building, political mobilization, the transit crisis, and related topics. The four-day Boot Camps in December 2010, and March 2011, in Chicago, IL, and Silver Spring, MD provided education and training for 218 members from 113 locals.

**Legislative Conferences**

Held annually in Washington, DC, the Legislative Conference is designed to educate ATU local union presidents and encourage their support and active participation in political action on legislation that affects their members and states. Members of Congress, White House officials, transportation agencies and other key speakers address attendees. Participants also have taken part in “Lobby Days” visiting their Member of Congress to discuss key transportation and labor issues impacting their members and community.

**New Presidents & Financial Secretary Trainings**

Six New President & Financial Secretary Trainings were held during the past three years. The purpose of these courses is to prepare new local union presidents and financial secretaries on all aspects of leadership that include an overview of financial secretary obligations, standards of discipline in arbitration, principles of contract interpretation, evidence and proof in arbitration, selection and preparation of witnesses, preparation for arbitration simulation and leadership, the legislative and political landscape, political mobilization, building coalitions and organizing riders, research and resources, how to deal with the media, website and social networking, communications, Section 13(c) issues, and others.

**Regional Conferences**

Four regional conferences were held over the past three years in Seattle, WA; St. Louis, MO; Orlando, FL; and Toronto, ON. These four-day conferences were well attended and provided training for officers on a wide range of issues. Workshops included: A Critical Look at the Labor Movement, Political Economy, Political/Legislative Update, Section 13(c) Overview, the National Transit Crisis, What is the Fight?, Mobilizing our Members for Passengers Coalitions – A New Way of Working, Communications: Website Overview, How to Work Effectively with the Press, Social Media; the New Healthcare Laws and Bargaining, and many others.

**Political Mobilization Trainings**

In preparation for ATU’s unprecedented 2012 election campaign to mobilize members and riders, 21 political mobilization trainings were conducted by international vice presidents and representatives for local leaders across the United States. These trainings provided organizing tools, information, hands-on exercises, and strategic guidance to help locals recruit members to participate in a range of voter education, registration and “Get Out The Vote” (GOTV) activities connected to the 2012 elections. Special attention was given to strategies for building local union political action committees, accountability, the importance of developing local allies and building community-based coalitions, and reaching out to transit riders to ensure maximum voter turnout.

**Rocking the Transit World Trainings**

As part of ATU’s 2012 election campaign, Rocking the Transit World conferences were held in the anchor cities of Denver, CO, and Cleveland, OH, to train ATU leaders from across America to mobilize riders for the 2012 election. More than 250 member activists attended these unique events, which included
workshops on voter engagement, team and coalition building, and rallies and leafleting of riders.

In addition, the training included ATU’s first-ever “Rocking the Transit World” live, international internet simulcast. Thousands of ATU members in more than 4,100 sites across the U.S. and Canada watched the two-hour interactive broadcast of speakers and videos including President Bill Clinton, New Mexico Governor Bill Richardson, Rep. Earl Blumenauer, D-OR, and others.

Grievance and Arbitration Seminars

Over the three years, there were 33 grievance and arbitration seminars attended by more than 1,000

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<th>Location</th>
<th>Topic/Type</th>
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## EDUCATION, TRAINING & CONFERENCE PROGRAMS
### 2010 – 2013 (continued)

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**2010 – 2013 (continued)**

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In December 2010, in response to the growing transit crisis in the U.S. and Canada, and to develop and implement strategies for increasing ATU’s political and public presence at the local, regional, and national levels, the new Department of Training and Field Mobilization was formed. The Department was charged with better positioning ATU to more aggressively tackle funding and service cuts, rising layoffs, increased efforts to contract out existing service, and attacks on members’ long held collective-bargaining rights.

The Department’s formation followed the adoption by the General Executive Board at its special meeting, December 13 – 15, 2010, of a motion calling for the launching of national community-based campaigns “involving ATU locals and community-based transit advocates, along with the AFL-CIO/CLC, and other interested unions and parties to secure grassroots, ridership and community support” to address these critical issues.

The GEB created the Department to strengthen and expand community organizing within ATU locals; develop community-based coalitions with riders and links with allied transit advocacy groups; and build grassroots, ridership, political and community support. ATU’s Legal, Research, Communications, Government Affairs, and Organizing Departments would assist the Department in these efforts.

**Boot Camps I & II**

The Department’s first training – the “ATU/Good Jobs First Boot Camp” entitled “America’s Transit Crisis: Community-Based Transit Organizing Summit” – was held in Chicago, IL, in December 2010. The event galvanized participants around a profound vision of community/labor collaboration and unleashed the collective energy of over 30 local presidents who subsequently mobilized their own members for action.

A second boot camp was held in March 2011, in Silver Spring, MD, immediately prior to the ATU National Legislative Conference.

Good Jobs First Executive Director Greg LeRoy helped the Department put together a packed agenda, and worked with us to create a directory of community-based organizations, a training manual on how to organize riders, and a listserv of boot camp attendees.

Over 140 local officers and community-based representatives attended the second boot camp, and the Department played a major role creating program presentations before, and managing follow-up efforts after the boot camp.

Department staff members maintained a presence throughout the boot camps, providing counsel at plenary sessions, engaging locals and community groups in conversation and campaign planning. And they made adjustments that would improve participants’ experiences in the future.

The Department now had a fully tested program to
provide locals with the ongoing support they needed to engage in community-based campaigns.

**Chicago Mayoral Campaign**

As part of the ongoing effort to bring attention to the crisis in U.S. public transit, Department staff assisted Chicago, IL, Locals 308 and 241 as they worked to make transit an issue in the city's mayoral race. With the expertise of pollster Vic Fingerhut, the Department developed persuasive messaging that quickly earned positive coverage in the *Chicago Tribune*, in one of the most competitive media markets in the nation.

By forming a diverse and broad community coalition, ATU compelled Chicago's mayoral candidates to propose a plan that would drive increased investment in transit operating functions. The coalition included the SEIU Illinois State Council, Chicago Metropolis 2020, the Central Labor Council, the Little Village Environmental Justice Organization, and the Rainbow PUSH Coalition.

**Crisis in Pittsburgh**

One of the first assignments the new Department took on was a mobilization effort to halt a planned 15% service cut that would eliminate 180 Local 85 (Pittsburgh, PA) jobs. Department staff traveled to Pittsburgh to work with Local 85 officers and members. The plan was to organize both internally and externally around the issue.

The team created an internal activist list and recruited members for activities such as phone banking, signature gathering and rally attendance. We built a strong community coalition that included Unite Here, the Blue/Green Alliance, the United Food & Commercial Workers, SEIU, the Pittsburgh Interfaith Impact Network, Pittsburghers for Public Transit, the Allegheny County Transit Council, United Steelworkers, the Allegheny County Council, and many other community partners.

We also helped organize several rallies and oversaw the collection of tens of thousands of signatures against the service cuts. It looked like an early victory when the Allegheny County Council unanimously passed a recommendation to stop the service cuts and explore other sources of funding.

However, Port Authority – the independent board that operates the transit system – chose to ignore the bipartisan county council vote, and proceeded with the cuts. Further proving this was a backroom deal with no democratic accountability, Lenzer Coach Lines started operating private service on those routes (which the Authority itself described as profitable) the very day the cuts were made.

The Department continued to support Local 85 as it fought to restore service and find a dedicated statewide source of funding for transit.

**Ground Zero: Madison, WI**

Department staff members were deployed to Madison, WI, in February 2011, immediately following Republican Governor Scott Walker’s proposal to strip state workers of most of their collective bargaining rights. The Department provided posters for Wisconsin locals, joined in rally activities, supported lobbying of state representatives and senators, and offered media support for ATU through a letter-to-the-editor that was published in the *La Crosse Tribune*.

**Cincinnati, OH**

In February 2011, after the mayor and city council raided a local funding source for transit, the transit board started threatening layoffs, service cuts, and demanded major concessions in contract negotiations. At the same time, Republican Governor John Kasich introduced his own anti-union proposal – SB#5.

Department staff working with Local 627 (Cincinnati, OH) officers established a plan to create effective internal mobilization and communication systems for the local, and build a stronger community alliance that would stand with Labor. Local 627, which had consistently mobilized members for local and statewide rallies against the governor, was quoted in local television and print media, which raised ATU’s visibility in the fight.

**Florida State Conference**

The Department attended the annual Florida State Conference Board Meeting in late February 2011. To help locals devise a plan of action in opposition to pending privatization bills.

Department staff members facilitated breakout group sessions along with organizer Dan Sundquist and International Vice President Gary Rauen that built upon trainer Paul McCarthy’s presentation on organizing and mobilizing for power. All of the locals in attendance engaged in some kind of mobilization.
activity after the Conference Board adjourned, with some of them becoming extremely active in the fight against anti-union legislation in the capital.

National Legislative Conference: 2011

The Department was also active at the ATU Legislative Conference in Washington, DC, in March 2011. Field Mobilization staff and field representatives briefed participants on their activities and resources. The Department also designed and helped lead two breakout sessions in which officers were sorted by geographic region and tasked with brainstorming solutions to several current problems.

Department staff recorded each region’s ideas during the two report-back sessions. The ideas generated were subsequently sent out to all attendees.

Local 689: Training for executive board and shop stewards

In response to Local 689 (Washington, DC) President Jackie Jeter’s request for mobilization support, the Department conducted a day-and-a-half version of our boot camp for its executive board and members to help lay out a campaign for internal mobilization, raise COPE-Plus funds, and build stronger community alliances.

Illinois State Conference: April 2011

Staff developed and gave a 30-minute presentation on the Department’s mission at the Illinois State Conference annual conference in Springfield, IL. Afterward a discussion was held on the challenges facing locals as they mobilize members.

National Coalition Building

The Department engaged in alliance building with strategic community and labor partners, including the:

- Blue/Green Alliance field staff to coordinate in states where we share a field presence.
- Leadership Center for the Common Good to create a sustainable rider organizing collaborative.
- Transportation 4 America Equity Caucus to coordinate its events with field staff to ensure ATU members were a part of every conversation about transportation policy.
- Transportation Learning Center Conference (March 2011) and PowerShift Conference (April 2011).

The Department also led a panel with transit rider organizations at the youth climate justice movement event – PowerShift – in order to promote public transit campaigns, and student cooperation with ATU locals.

The Department also convened a wide range of training programs, conferences, and presentations in a series of city/state-based community campaigns.

Western Regional Conference: April 2011

The Department helped facilitate breakout sessions at the Western Regional Conference, and engaged in individual conversations about mobilization with attendees. Prior to the event, the Department called early registrants to gauge their priorities for the conference, as well as to understand what kind of training would best meet their needs as union leaders. We developed an agenda to address union leaders’ needs, and led preparatory meetings with representatives of community-based organizations that attended as part of a panel.

Colorado Boot Camp: May 2011

A field representative worked with an international vice president to organize a daylong mini-boot camp for locals who couldn’t make the previous boot camps. They spent time connecting with strong transit allies from a disability rights organization, FRESC – a Partnership for Working Families affiliate, and Jobs with Justice.

ATU Black Caucus: May 2011

A field representative attended the Black Caucus in Atlanta in May 2011, to lead a presentation on ways to conduct internal organizing and how to mobilize members for issue-based campaigns against anti-union legislation and for the restoration of funding for transit systems.

ATU Women’s Caucus: June 2011

Field Mobilization designed a daylong workshop for the annual Women’s Caucus that focused on the basics of organizing and coalition building. Bathroom breaks and scheduling emerged as key issues for participants at the Women’s Caucus.
Midwestern Regional Conference: June 2011

The Department organized a panel of community organizers, transit advocates, and environmentalists at the Midwestern Regional Conference who described successful campaigns and expressed earnest interest in a close alignment with ATU around our shared interest in improving transit. Department staff members facilitated a wrap-up discussion to help participants clarify their next steps and help them identify key “takeaways” from the conference.

New England Joint Conference: June 2011

The Department worked with leaders of the New England Joint Conference Board to dramatically transform their annual meeting into a mini-boot camp. The event was extended by a day in order to rework the program and focus on coalition building, issue-based organizing, member mobilization, and a broader analysis of the transportation reform movement.

Legislative and Political Campaigns/Carnahan Operating Assistance Campaign

In close coordination with the Government Affairs and Communications staffs, the Department ran the field component of a national campaign to persuade a House committee to insert language from HR 3200 (a bill that would provide some transit funding flexibility for transit systems serving areas with over 200,000 residents) into the transportation authorization act in the spring of 2012.

Field Mobilization maintained phone contact with locals in target congressional districts, organized an educational webinar on transit funding with a guest speaker from Rep. Carnahan’s office, coordinated with the Communications Department to get thank-you-cards signed by local members and delivered by local presidents to key bill sponsors.

Field Mobilization staff shared tracking documents to organize campaign activity, conducted research on Republican targets for participating locals, and coordinated last-minute calls to congressional offices in support of the bill.

Transit Benefits Campaign

Field Mobilization staff worked closely with Local 689 (Washington, DC) to train member-activists for a postcard-gathering campaign around the expiration of an important piece of the stimulus act, which temporarily raised the federal tax-free benefit that commuters use to pay for transit to match the tax-free benefit available for parking. The Department, in conjunction with the Government Affairs Department, trained six member-mobilizers recommended by Local 689 to gather signatures and deliver signed postcards to Members of Congress.

The Department-generated print materials included a flyer and fact sheet. In less than six weeks the member-activist team gathered over 1,200 postcards, exceeding their goal of 1,000 and was eager for further opportunities to mobilize their local union.

State and Local Campaigns

Michigan

The Department provided extensive support throughout the summer of 2011 for the field campaign in Michigan. Department staff worked with local and international officers as ATU’s Michigan locals participated in the campaign to gather voter signatures to repeal the Local Government and School District Fiscal Accountability Act, a law that gives the governor the power to appoint “emergency financial managers” with unilateral powers over local governments and school districts.

During the campaign, the Department organized weekly conference calls, produced digital membership data from hand-written documents from the field, and produced shared tracking documents to organize campaign activity. The Department organized a daylong planning meeting to assist with the campaign’s transition from international to local and state leadership. At the completion of campaign activity, the Department prepared an evaluation report for the international president.

Wisconsin

Department staff served as a point-of-contact for the member-mobilizer responsible for organizing a rally in protest of drastic bus service cuts in Wausau, WI. Staff coached the member-mobilizer through the organizing phase, helped link him up with additional statewide partners and coordinated with the Communications Department to produce materials to promote the event. The rally had more than 250 people in attendance,
including several significant political decision-makers. The Department also provided ongoing support to the local to build on the success of their rally.

Massachusetts

Department staff worked with the Massachusetts Legislative Conference Board to develop and plan a statewide campaign addressing sustainable revenue sources for transit. ATU partnered with a green justice coalition that included diverse community organizations from several cities in the state. We also collaborated on the implementation of a strategy to win equitable funding for public transportation in the commonwealth.

New Jersey

Department staff worked with New Jersey State Council Chair Raymond Greaves, laying groundwork for training and campaign work. Staff conducted research on community organizations and transit advocates that could be approached to join an effort to convene a statewide transit coalition.

Allies Networking

National Legislative Conference

Field Mobilization staff assisted in the successful execution of the 2012 Legislative Conference. In particular, staff worked together with Local 689 and community partners to organize a pro-transit rally attended by visiting ATU officers at Farragut Square in Washington, DC, on March 13, 2012. Staff also assisted in the preparation of training segments, prepared handouts and staffed the conference.

2012 Political Mobilization Training Program

Field Mobilization was involved in the execution of ATU’s brand new Political Mobilization Training Program from start to finish. Staff prepared an overview of the Political Mobilization Program for presentation at the Legislative Conference in March 2012.

From March to May, Field Mobilization staff prepared a detailed training curriculum and supporting materials to help ATU members around the country mobilize for the November elections. Groups of international vice presidents (IVPs) came to Washington in May and June for briefings and supplemental materials on the training curriculum.

IVPs conferred with Field Mobilization staff regarding their schedules, and staff contacted locals to arrange dates for training. IVPs worked in pairs to conduct political mobilization training all over the U.S. The training was held for groups of locals, all within driving distance of each other, so that anyone willing to get involved could attend at no cost to the local. Field Mobilization staff also provided follow-up support for the training program by sending lists of members not registered to vote to local presidents upon request.

Chicago Internal Organizing Campaign

Department staff and three organizers spent the first few months of 2012 in Chicago, IL, as part of an internal organizing and leadership development campaign for Local 241 members during the beginning of its trusteeship. Organizers canvassed garages, assessing members’ level of engagement and invited member activists to classes on special leadership topics. Staff in Washington, DC, supported these field efforts by maintaining a database and pushing out emails advertising upcoming training.

ATU/TWU Joint Health & Safety Committee

Staff in Field Mobilization provided support for the ATU/TWU Joint Health & Safety Committee beginning in March 2012. Staff attended meetings, developed and distributed a questionnaire, and established an email list-serve for committee members.

Occupy Wall Street’s April 4 National Day of Action around Public Transportation

When Occupy Boston announced plans for a National Day of Action around Public Transportation, International President Hanley endorsed the idea and put Field Mobilization staff on the job, coordinating ATU support in cities around the nation. Staff participated in Occupy Wall Street’s planning calls, coordinated with ATU local officers, and tracked plans to participate around the country. As a result, ATU locals joined actions in approximately 15 cities.
**ATU-COPE Brochure Redesign**

Field Mobilization staff assisted the Communications Department in producing an updated version of the ATU-COPE brochure. Staff contacted local officers to get recommendations from member activists who donate to ATU-COPE. These activists were interviewed and their testimony and photographs were included in the new ATU-COPE brochure.

Charts listing the campaigns and training conducted by the Department of Training & Field Mobilization follow:

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**DEPARTMENT OF TRAINING & FIELD MOBILIZATION CAMPAIGNS**

**2011 – 2013**

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<td>Locals 192, 1555, Oakland, CA</td>
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<tr>
<td>Contract Campaign</td>
<td>July 2013</td>
<td>Local 788- St, Louis, MO</td>
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## DEPARTMENT OF TRAINING & FIELD MOBILIZATION TRAINING
### 2010 - 2012 (continued)

<table>
<thead>
<tr>
<th>Event</th>
<th>Time Frame</th>
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<tr>
<td>ATU/Good Jobs First Boot Camp I</td>
<td>December 2010</td>
<td>National</td>
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<td><strong>2011</strong></td>
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<tr>
<td>Florida State Conference Field Mobilization Training</td>
<td>February 2011</td>
<td>Florida Locals</td>
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<tr>
<td>ATU/Good Jobs First Boot Camp II</td>
<td>March 2011</td>
<td>National</td>
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<td>National Legislative Conference</td>
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<td>Mobilization Training</td>
<td>Spring 2011</td>
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<td>Illinois State Conference Field Mobilization Training</td>
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<td>Western Regional Conference</td>
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<td>Colorado Boot Camp</td>
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<td>ATU Black Caucus Field Mobilization Training</td>
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<td>ATU Women’s Caucus Field Mobilization Training</td>
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<td>Midwestern Regional Conference</td>
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<tr>
<td>Communications Day at the Eastern Regional Conference</td>
<td>August 2011</td>
<td>Eastern Region Locals</td>
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COMMUNICATIONS

Over the past three years, the International has completely revamped and expanded ATU’s internal and external communications capabilities to raise the profile of the Union as it is viewed by the public, the media, politicians, and most importantly – ATU active members and retirees.

The Communications Department has optimized a mix of traditional and new media tools and tactics such as public relations, media outreach, advertising, marketing/communications collateral, videos, events, website, viral marketing, and social media to support a wide variety of political, member mobilization, contract, issue-based, and other campaigns on an international, national and local level.

The following are the key activities, campaigns and accomplishments of the Communications Department over the past three years:

**ATU Website**

The Communications Department launched a new and improved ATU website. It features a state-of-the-art design, more content, and interactive features. The site is much more user-friendly for members and the public. There are many new, innovative features and services including multimedia use of video and photos, federal and state legislative information, an online version of InTransit and others.

The Department is constantly updating the website with fresh content, new videos, and new features as well as adding the latest technology, and other innovations to keep the website on the cutting edge. All this has led to a significant increase in visitors to the website.

The traffic to the old ATU website averaged between 100 – 150 visitors per day, the new site has seen our daily page visits jump to an average of 350 – 400 visitors per day. Over the course of the last three years the traffic has seen peaks and valleys depending on events, campaigns and other factors. The site had all-time high of more than 4,000 visitors during the “Rocking the Transit World” live international webcast in September 2012.

The website has also received kudos and compliments from unions and other organizations about its design, features and technology.

**TransitWeb**

The Department launched an innovative service called “TransitWeb,” an affiliate website program through the AFL-CIO, to offer all ATU locals the opportunity to receive a free, safe, and secure website. Working with locals, the Communications Department handles all the backend design and technology. All locals’ websites have been live within two weeks of requesting the service.

The program includes free content management training for members of the locals to learn how to update and maintain their website. To date 54 ATU locals have websites set up through TransitWeb and about 10 locals have registered to get a website with additional requests coming in.

**Facebook and Twitter**

In September 2010 ATU had two Facebook pages that had a combined 255 “likes”. Recognizing this was confusing to have two separate pages, the Communications Department consolidated the two pages into one (Amalgamated Transit Union – ATU) and migrated the “likes” to the new page.
Since the launch of the new ATU page, the Department has maximized ATU’s exposure and reach on Facebook by posting at least three updates per day about news developments, press releases, campaigns, and issues relevant to ATU members.

The Department also launched numerous Facebook ad campaigns to increase the number of “likes” and promote posts to visitors to the ATU Facebook page. Since these campaigns began our “likes” have jumped from 255 to 4,702, a 1,744% increase, and continue to rise on a daily basis.

The Department also launched our Twitter account under the handle @ATUComm in late July 2011. Updates are made throughout the day on developments in the news, campaigns and other events impacting ATU and our issues. @ATUComm has been a very effective tool in getting our message out about key ATU campaigns.

For instance, during the Local 1181 New York City school bus strike in January and February 2013, Mayor Bloomberg and School Chancellor Dennis Walcott were only using traditional media to get their side of the dispute out. ATU was able to use Twitter and the traditional media to generate support for our striking members and spread our message to NYC parents groups, transit advocates, politicians and other supporters. Twitter was also used during the Local 508 (Halifax, NS) strike, interjecting the workers’ message into the conversation to ensure riders were well informed of the latest developments and workers’ stance.

Currently we have 1,573 Twitter followers and are gaining more each day.

In Transit

The Communications Department revamped ATU’s flagship magazine, InTransit, to appeal more to the membership.

The updated version features a sleeker design with additional photos and illustrations and more dynamic content with shorter articles and more local union stories. We also added a new feature called “Above & Beyond”, which highlights ATU members who have gone “above and beyond” the call of duty to be advocates for ATU members, their families, and their communities.

In addition, the magazine now has more articles translated into Spanish and Canadian French. The Department also launched a Canadian InTransit version, sent only to Canadian members, to highlight and focus on Canadian local unions and issues.

We have also incorporated political and labor cartoons from Mike Konopacki. These have been well received and have even created a “buzz” among the membership. The Department also revamped the format of the magazine and archived issues on the website to make it more user friendly.

The International Labor Communications Association has recognized our efforts, presenting In Transit with an award for design.

ATU Dispatch

Over the course of the last three years the Communications Department has upgraded the design, content, frequency and reach of the ATU Dispatch, the e-newsletter sent to members and transit advocates. It is now published on a weekly basis and features a sleeker, more attractive design as well as later-breaking news stories and multimedia content – including videos and photos for and about ATU locals.

In addition, Special Dispatches were sent concerning the 2012 election, ATU Disaster Relief Fund appeals and other campaigns. The Communications Department has worked hard to increase the member email list that receives the Dispatch from about 3,500 in 2011, to more than 17,500, today.

Member Email Campaign

In July 2010, the International only had 3,372 members’ emails out of the 190,000 members of ATU. Given that email is one of the most effective ways to communicate quickly, the Department developed a comprehensive campaign to capture more members’ emails to provide the Union a way to directly reach more of our members instantly.

The campaign began with a lottery drawing to win an ATU coat for members who gave the International their email addresses. The lottery was publicized in the ATU Dispatch, InTransit magazine, and on the website through a “light box”. The lottery was expanded to award a special ATU iPad2.

The goal of the campaign was to increase visitors and capture more member emails at ATU conferences, meetings, rallies and other events. In addition, member emails have been captured via local union websites on TransitWeb. Since the campaigns were
launched the Department now has a database of almost 17,500 emails.

**Telephone Town Halls**

The Department has incorporated telephone town halls as a new way to communicate with ATU local leaders, members, and even riders and the general public. This has been a very effective way of communicating and engaging all of these groups in our campaigns. Thousands of members and riders have participated in these successful town halls around many different campaigns including the Carnahan bill campaign, the OTR safety campaign, the 2012 election, the Local 1181 NYC school bus strike, a King County, WA, transit fight, and many others.

**Video**

The Communications Department has upgraded the Union’s in-house video production capability with the purchase of a high-end camera and accessories.

Communications has produced a number of videos highlighting our Driver Assault Campaign and an Occupy DC Rally with the Nurses Union in Washington, DC, as well as shorter videos to mobilize members around the 2012 “I’M IN” campaign and the 2012 election.

The Department also produced a 15-minute video, “The Fight Has Just Begun”, for the 2012 Legislative Conference. The video highlighted our campaigns, the issues impacting transit, ATU members, and working families. The Department continues to work on new productions and expand our video capabilities.

**Media Outreach**

Up until 2010, the International focused on internal communications, preferring not to talk to the press at all.

Since then, however, the Communications Department has completely reinvigorated the Union’s external communications program, taking a more proactive and outspoken approach to our dealings with broadcasters and journalists on a daily basis.

For the last three years, Communications has conducted a proactive media campaign, publishing news releases, creating videos, and calling reporters to generate commentary and news coverage about ATU and the issues that matter most to us.

Our efforts have not only made more people aware of the crisis in mass transit and the current assault on Labor, but they have raised the international profile of ATU, itself.

Aggressive media outreach has been conducted around almost all ATU campaigns and issues in the United States and Canada including the OTR white paper, “Sudden Death Overtime”, transportation funding legislation, intercity bus accidents, transit privatization, the SB#5 fight in Ohio, Occupy Wall Street, “essential services” battles in Canada, “Don’t X-Out Public Transit” National Day of Action, the “Rocking the Transit World” election rider campaign, the 2012 election, assaults on transit operators, bathroom break issues, state legislation including the Michigan right-to-work battle, and other events and issues.

The Communications Department has also set up a series of informal meet-and-greets for International President Larry Hanley with key transportation, labor and political reporters including the Associated Press, The Washington Post, Politico, The Hill, Reuters, Bloomberg, Huffington Post, Streetsblog and others.

This has resulted in major media coverage including TV appearances by International President Hanley on MSNBC’s “Ed Schultz Show”, MSNBC’s “Dayside” and many local TV and radio stations. In addition, ATU media releases have been quoted in major national publications and websites including Politico, The Hill, The Washington Post, Streetsblog, Associated Press, Huffington Post, The Nation, Bloomberg News and other national and local media outlets.

One of the highlights of the last three years has been the honor ATU received in being named the “Most Valuable National Union” in The Nation magazine’s 2012 Progressive Honor Roll. One of the reasons the Union received that accolade in 2012, is that the International made the decision in 2010 to make the public aware of who we are, what we do, and what we stand for.

As a result of these efforts ATU is now a trusted news source for reporters looking for comment on stories about transportation, progressive politics, and Labor.

**Communications Campaign Counsel for Local Unions**

The Department continues to work with local unions, providing communications counsel and assistance per the direction of the international president. This includes media outreach, print and radio advertisements,
message development, rallies and other activities around strikes, contract negotiations, press conferences, and other events.

Among the projects we undertook were a Bruce Springsteen-inspired ad in Moncton, NB, to support our locked out bus drivers; a media campaign to fight privatization of paratransit in Palm Beach, FL; a public response to attacks on transit workers in New Jersey, Halifax, NS, and other cities, the BART contract campaign, and many others.

The Department has also provided training for local officers at our boot camps and other events on how they can generate media coverage locally. It is one of the goals of the Communications Department to provide the tools and give local officers the confidence to do more and more of this work themselves.

**Legislative & Political Campaigns**

Counsel and support has been provided ATU locals on media outreach, advertising, marketing/communications collateral, videos, events, website, viral marketing, and social media support on ATU political, legislative and contract campaigns. The following are some of the key campaigns from the last three years:

**Carnahan Campaign**

In close coordination with Government Affairs and Field Mobilization the Department helped run the national campaign to get a bill for transit funding flexibility in the U.S. Congress, HR 3200, through a House committee and into the transportation authorization bill in spring 2012.

Communications provided and developed materials for locals to target congressional districts, helped to organize an educational webinar on transit funding with a guest speaker from sponsor Rep. Russ Carnahan’s office.

The Department produced “Thank You” cards to be signed by local members and delivered by local presidents to key bill sponsors, and organized and coordinated to two telephone town hall meetings with local unions to discuss ATU’s campaign strategy.

The campaign was publicized on the ATU website, Facebook page, and Twitter account. In addition, the Department assisted local unions with press outreach and news events with local Members of Congress to publicize the campaign.

**Don’t X-Out Public Transit Day**

The Communications Department worked with the American Public Transportation Association (APTA), the Transport Workers Union (TWU), Transportation for America (T4America), and other transit organizations to organize a national “Don’t X-Out Public Transit Day” on September 20, 2011.

These events, held in 23 cities across the country, highlighted the impact of proposed cuts of more than one-third to federal transportation funding under the transportation reauthorization bill forwarded by the Rep. John Mica, R-FL, then chair of the House Transportation and Infrastructure Committee.

ATU locals participated and took the lead in many of the events, which included rallies, demonstrations, leafleting, and buses painted with big Red X’s to signify the routes that would be cut.

Communications worked with the Field Mobilization and Governmental Affairs Departments to coordinate all logistics and materials for these events. In addition, the Department handled all media outreach around these events for ATU locals. The National Day was a great success with strong turnout and media coverage at all the events across the U.S.

**Occupy National Day of Action for Public Transportation Campaign**

The Communications Department organized and coordinated with the Occupy Movement on a National Day of Action for Public Transportation. ATU locals in Denver, CO; Chicago, IL; Pensacola, FL; and more than 20 other cities held demonstrations on April 4, 2012, the anniversary of Dr. Martin Luther King, Jr.’s death, to call attention to the crisis in public transportation, its impact on our nation’s poor, and how banks have been profiting from transit system debt.

Communications coordinated and conducted aggressive media outreach with locals and the Occupy Movement that generated nationwide news coverage.

**Refund Transit Coalition ‘Riding the Gravy Train’ Report on Toxic Interest Rate Swaps**

ATU joined the Refund Transit Coalition to produce and release a ground-breaking report showing how Wall Street banks are gouging public transit riders for more than half a billion dollars each year through toxic interest rate swap deals with transit agencies and the
governments that fund them, amidst the worst post-war wave of fare hikes and service cuts ever.

The report, “Riding the Gravy Train”, documents how the nation’s biggest banks — flooded with nearly free money from the Federal Reserve — are profiteering on the backs of transit riders from a rate-spread windfall on interest rate swaps with transit agencies and states made before the Great Recession.

Communications conducted aggressive media outreach to release the report at the Netroots Nation Conference with a press telephone conference call briefing. There were 15 reporters on the call and coverage included a New York Times column on the report by Gretchen Morgentson.

Netroots Nation

ATU served as a sponsor for Netroots Nation, the premier progressive bloggers conference. Communications coordinated the sponsorship, secured an ATU panel discussion, and organized an ATU-sponsored movie screening.

The panel, “Public Transportation: A Matter of Social Justice”, featuring International President Hanley, Local 618 (Providence, RI) President Paul Harrington, Good Jobs First’s Greg Leroy, and the president of the Rhode Island Sierra Club was attended by more than 75 attendees.

The ATU movie screening of “At the River I Stand” was a standing room only event.

ATU 2012 Election Get Out the Vote Campaign

In close coordination, with the Government Affairs and Field Mobilization Departments, and other staff, the Communications Department played a key role in ATU’s 2012 election “Get Out The Vote” (GOTV) campaign.

This effort included the “I'M IN” campaign, political mobilization training, anchor city training in Cleveland, OH, and Denver, CO, during the “Rocking the Transit World” event, telephone town halls, candidate engagement and candidate bus ride-alongs, candidate and proposition mailings to members, and aggressive media outreach and support.

To mobilize ATU members to participate in the Union’s campaign, Communications developed and produced leaflets, “I'M IN” signs and other materials, conducted a social media campaign, and produced videos. These efforts resulted in a viral campaign with thousands of members joining the effort and sending and posting photos of themselves with the Union’s “I'M IN” sign.

Communications helped to organize, coordinate and staff the Denver, CO and Cleveland, OH events that trained ATU leaders from around the country how to mobilize riders for the 2012 election. More than 300 members attended these hands-on trainings.

The Department handled the recruitment, production and technical coordination of ATU’s first-ever “Rocking the Transit World” live international webcast from Denver and Cleveland. More than 4,100 sites across the U.S. and Canada, including many with hundreds of members watching at local union halls, watched the two-hour interactive webcast.

Communications also wrote, designed and produced seven “Rider Thank You” leaflets for members to hand out to passengers to encourage them to vote for transit- and labor-friendly candidates during the two months leading up to Election Day. More than one million of these flyers were distributed.

Communications also produced and coordinated 13 direct mail pieces tailored to members voting in key Senate elections, members voting on transit-related ballot propositions, and ATU retirees and school bus members in key battleground states.

Communications wrote and produced videos for the “I'M IN” and the ATU 2012 Election campaigns. We also organized and coordinated member GOTV telephone town halls and wrote and produced numerous “robo-calls” during the campaign season.

As part of the campaign the Department conducted an aggressive media outreach and assisted locals in working with the press around their key election events. This resulted in widespread media coverage including stories in the Huffington Post, In These Times, Agence French Press, Cleveland Plain Dealer, Denver Post, Politico, The Hill, Newark Star Ledger, News Herald, Wausau Daily Herald and many others.

MADD-Greyhound-ATU Drunk Driving Public Service Campaign

The Communications Department worked with Mothers Against Drunk Driving (MADD) and Greyhound to launch a TV public service campaign on drunk driving. Communications wrote and worked with a production company to shoot and produce the
30-second TV public service announcement (PSA) in English and Spanish.

The PSA, which features Local 1700 Greyhound drivers, has been aired more than 1,600 times in major American markets including New York, NY; Boston, MA; Chicago, IL; Philadelphia, PA; Seattle, WA; and many others.

Communications also did media outreach and a social media push around the PSA.

**Regional Trainings**

The Department conducted a “communications day” at the Eastern Regional Training Conference in Orlando, FL, in August 2011, and the Canadian Regional Training Conference in Toronto, ON; in February 2012. The trainings included a plenary session on how ATU is revamping communications on an international and local level.

The Department conducted three hands-on workshops for conference attendees. These included:

- Media Training – How to effectively deal with the press
- Social Networking – Why should I care about social media? Facebook and Twitter 101
- Written Communications - Mastering the Art of Written Communications & Developing Effective Materials

**New Presidents’ Media Trainings**

The Department staff conducted numerous communications training sessions for new presidents and financial secretaries.

The first session focused on how to effectively deal with the press. Participants learned that the media exercises a lot of influence over the information the general public, elected officials, and our members receive, and the subsequent opinions they hold.

They learned techniques and tips on how to raise their visibility in the news media and the role media can play in adding power to our mobilization efforts.

The second session was on social networking and how to capitalize on Facebook, Twitter and YouTube. The final session covered written communications including how to write newsletters, flyers and other key materials.

**AFL-CIO & CLC Affiliations**

Over these three years, our affiliations with the AFL-CIO and the Canadian Labour Congress were of considerable benefit to our organizing, strategic campaign, legislative, political and research activities.

ATU has been a member of the Transportation Trades Department of the AFL-CIO since the TTD’s inception in 1990. The TTD works closely with our political and legislative directors in conjunction with all of the other transportation related affiliates, to expand our strength and influence with elected officials across the United States.

In Canada, we participated in several Canadian Labour Council (CLC) programs and committees through our international officers, local unions affiliated with the CLC, and the ATU Canadian Council. The CLC officers and staff support the Union’s campaign for dedicated funding to maintain and repair the nation’s transportation system infrastructure as well as our fight against public-private partnerships.

**LAWS**

I am recommending a number of amendments to the International Constitution and General Laws which will position the ATU to advance our collective interests, defend our riders against service cuts, and fight to keep public transit in public hands. Based on the deliberations of the Restructuring Committee I am recommending that we amend the Laws to create Joint Industry Councils that will bring together all ATU members working for a common employer.

Additionally, based on those deliberations, I am recommending an increase in the per capita tax to ensure that the International Union has the resources it needs to expand the education and training of ATU members and local leaders, conduct contract and community-based campaigns, and fight for justice in our workplaces through intermediate union structures and other forms of organization.

I am recommending also a number of proposals which will clarify and make our Laws more understandable to our local union officers and members, and result in the Union being better administered.

Each of these proposals for changes in our Laws is hereby submitted to you with my recommendation for your final consideration and approval.
I. JOINT INDUSTRY COUNCILS

Our members are increasingly working for a growing group of predatory multinational corporations. Companies that we have fought with in the past like Veolia, First Group, and MV Transportation are expanding as they convince more transit systems and school districts to privatize transit and school bus service. Simultaneously, corporations like Keolis and National Express are aggressively entering North America seeking to impose concessions on our members.

In order to deal with the new structure and scope of private-sector transit contractors, I am recommending that we establish Joint Industry Councils to bring together ATU local unions and members who work for the same transportation contractor. These J.I.C.s will ensure that no local is alone in its fight against these multinational corporations.

The J.I.C.s will coordinate collective bargaining to maximize our leverage at the table; conduct corporate-wide campaigns to advance our interests and defend our contracts; perform corporate research; analyze RFPs; perform contract comparisons of wages, benefits and terms; identify and develop strategies to address employer-wide issues such as drug and alcohol testing and other work rules; and examine trends in grievances and arbitration awards.

I join the Restructuring Committee in recommending the establishment of J.I.C.s to create the structure we need to mount an organized and coordinated fight back against these multinational corporations.

PROPOSED AMENDMENT

(Current language to be deleted appears in overstruck text. New language to be added appears in underlined italics.)

SEC. 26 JOINT INDUSTRY COUNCILS: 26.1 Establishment. The I.P. may, with the consent of the G.E.B., establish Joint Industry Councils (J.I.C.) in order to better organize the membership to provide for their collective defense and to advance the interests of transit workers. J.I.C.s shall be composed of those L.U.s representing members employed by a common employer for which a J.I.C. has been established.

26.2 Object. The object of J.I.C.s shall be to coordinate collective bargaining, contract administration, strategic campaigns, research, organizing, and other activities among L.U.s with a common employer.

26.3 Bylaws and Elections. J.I.C.s shall adopt bylaws with the approval of the I.P. The bylaws shall provide that the principal officer, or the designee of the principal officer, of each L.U. which is a member of a J.I.C. shall represent their respective L.U. at the J.I.C. Voting strength of each L.U. representative to the J.I.C. shall be based on the number of members the L.U. has in good standing at the pertinent employer. The bylaws shall provide further for the election once every three (3) years of between five (5) and nine (9) Board Members, including a Board Chair, who shall serve also as the J.I.C.’s Chair, and a Board Secretary, who shall serve also as the J.I.C.’s Secretary. In the event that a Board Member’s L.U. ceases to represent any members employed by the J.I.C.’s employer, a vacancy in office shall be declared, and new elections shall be held within sixty (60) days. The I.P. shall call and sponsor a meeting of each J.I.C. not less frequently than once (1) per year, in addition to any meetings called by the J.I.C.s.

26.4 J.I.C. Coordinators. The I.P. shall appoint a Coordinator of each J.I.C. and may designate a single individual to serve in that capacity for more than one (1) such J.I.C. In each case, the Coordinator shall be an employee of the I.U. rather than of the J.I.C., and shall be bonded pursuant to Section 36.2 of the Constitution. The Coordinator shall be responsible for the daily administration and the handling of its affairs. In carrying out these assigned duties, the Coordinator shall be subject to the laws and rules of the I.U., the J.I.C. bylaws, and any instructions of the I.U.

26.5 Audits. A J.I.C. which holds or handles funds or property shall be subject to the requirements of Sections 37.2 through 37.7 as a subordinate body.

II. SUPPORTING ATU LOCAL UNIONS:

- Expanded Education and Training
- Contract and Community-Based Campaigns
- Advancing Contract Standards

ATU members are under attack like never before. We must ensure that we have the resources we need to train local union leaders, launch campaigns to push forward
our agenda, and sustain our organizational structures. Based on a thorough review of the International Union’s programs and its finances, the Restructuring Committee recommended that, in addition to the annual adjustment of the per capita tax tied to the consumer price index, there be an increase in the per capita tax of $1.50 on both July 1, 2014, and July 1, 2015.

In order to ensure that the resources were devoted to where they are most needed, the Restructuring Committee recommended that the additional funds generated by the per capita increase be for the purpose of training and education, contract and community-based campaigns, and to support the activities of intermediate union structures such as Joint Service Councils, Joint Industry Councils, and State Legislative Conference Boards.

The recommended increase in the per capita tax will give us the resources we need to prepare this union for the struggles and challenges which we will confront in the next three years.

PROPOSED AMENDMENT
(Current language to be deleted appears in overstruck text; New language to be added appears in underlined italics.)

SEC. 18 REVENUES: 18.1 Per Capita Tax. (a)(1) The monthly per capita tax that each L.U. shall pay through its F.S. to the international office for each active local union member pursuant to the minimum dues formula (as established at the Forty-Seventh Convention) in the amount of $11.10 effective July 1, 2010, shall be adjusted July 1, 2011, and annually from year to year thereafter, based on the percentage increase, if any, in the Consumer Price Index (CPI-W, 1982-84=100) published by the U.S. Department of Labor, Bureau of Labor Statistics. That percentage increase shall be applied to the existing per capita tax amount in order to determine the amount of increase in per capita (which shall be rounded to the nearest $.05) and thereby establish a new per capita rate for active members. Thus, the adjustment effective July 1, 2011, shall be based on the percentage increase, if any, in the CPI between December 2009 and December 2010, and like adjustments shall be made annually thereafter.

(2) In addition to the adjustment in the monthly per capita tax provided for in Section 18.1(a)(1), the monthly per capita tax shall be increased by $1.50 on July 1, 2014, and $1.50 July 1, 2015.

(3) Any such increase in per capita tax provided for above in Section 18.1(a)(1) and (2) shall be added to the actual dues paid by active members in each L.U.

(4) The per capita tax payable by each L.U. for each pensioned member shall not be subject to annual adjustment and shall be the sum of two dollars ($2.00) per pensioned member retired prior to January 1, 1993, and four dollars ($4.00) per pensioned member transferred to pension status on or after January 1, 1993. Pensioned members are those members who have retired on pension and/or social security or railroad retirement, and are not employed in our industry or are totally and permanently disabled. All other members are considered active members and shall be required to pay the per capita tax applicable to active members.

(5) The per capita tax shall cover the general expense of the I.U., including the funding of In Transit and the A.T.U. Pension Plan and Trust for International Officers, Staff and Employees; the Funeral or Dismemberment Benefit Fund; and the Defense Fund. In the case of active and pensioned members, $.90 per month shall be placed in the fund for the payment of funeral and dismemberment claims; $.10 per month shall be placed in the Trusteed Retirement Plan for International Officers, Staff and Employees; equal portions of the funds raised under Section 18.1(a)(2) above shall be used (i) to expand education and training programs, (ii) for contract and community-based campaigns and field mobilization, and (iii) to advance and defend members’ collective bargaining rights and contract standards through intermediate union structures and otherwise; of the remaining per capita tax, eighty percent (80%) per month thereof shall be placed in the General Fund for the management of the I.U., five percent (5%) per month shall be placed in the Organizing and Activism Fund for the protection of the union’s interests through organizing activities and other member activism programs, and fifteen percent (15%) per month thereof shall be placed in the Defense Fund for the protection of the membership as described in Section 19.1.

(6) An amount equivalent to the international per capita tax shall be paid by the L.U. each month for any person making service payments to the L.U. in lieu of dues under agency shop, fair share, RAND formula, or similar contract provisions.

(b) L.U. remittance of the per capita tax otherwise payable to the I.U. shall be waived for the six months following issuance of a L.U.’s charter and, in the case of a newly organized bargaining unit, for the six months following ratification of the unit’s first collective bargaining agreement.
(c) L.U. remittance of the per capita tax otherwise payable to the I.U. may, upon request by a L.U., be waived by the I.P. upon approval by the G.E.B. for the months of July and August for L.U. members providing school bus services who are not employed during those months.

III. Amendments to L.U. Bylaws

In order to state clearly the procedure for amending local union bylaws, I am proposing that we more explicitly lay out the process by which proposed amendments are read, posted and voted on. Although the policy of the ATU has always been consistent, there has been some confusion among members over the posting requirement.

There has been confusion over the need to post the proposed bylaws where amendment is accomplished by a vote of the membership. And, there has been confusion also over the timing of the posting where the amendment is accomplished by a vote of the local executive board.

The proposed amendment to the Laws would make clear that after a first reading of a proposed bylaw amendment, the L.U. must post the proposed bylaw amendment and notice of the meeting at which the second reading will occur.

PROPOSED AMENDMENT

(Current language to be deleted appears in overstruck text. New language to be added appears in underlined italics.)

13.2 Bylaws. The bylaws and rules of L.U.s and amendments thereto, to be legal and effective, shall be read at two (2) regular meetings of the L.U. and posted at appropriate locations with notice of the meeting at which the second reading shall occur before adoption and it shall require a two-thirds vote of the membership in attendance and voting at the second union meeting to adopt. After posting the proposed bylaws, rules or amendments for adoption and failing to obtain a quorum at two (2) consecutive meetings of the L.U., the local executive board shall have the power, unless otherwise restricted by law, by a two-thirds vote of the total membership of the executive board to adopt such proposals on behalf of the L.U. Such a vote, if taken, shall dispose of the question and stand as the vote of the L.U. membership. After adoption by the L.U. the bylaws, rules or amendments so adopted shall be forwarded to the I.P. for approval and must have the approval of the I.P. before going into effect. Any provisions of local bylaws or rules that conflict with the Constitution and General Laws are void. L.U.s that desire to do so can adopt this Constitution and General Laws as the bylaws for the L.U.

The L.U. bylaws shall provide for the handling of all grievances and complaints of the membership and for the taking up of disputes arising between the membership and the company. The bylaws may empower the president or any other officer to handle such matters, or may empower the executive board to handle such matters, or may empower any officer to handle such matters subject to the approval of the executive board.

L.U. bylaws shall establish a quorum for the holding of membership meetings.

IV. Filling Vacant L.U. Offices

Currently, local union practice varies concerning the filling of vacancies created when an officer leaves office prior to the expiration of his or her term. Some local bylaws specifically address the issue by either requiring an interim election in all circumstances, or by requiring an interim election only where there is a certain amount of time left in the term of office. Some local bylaws do not address the issue at all.

The failure of local unions to have controlling language in their bylaws has caused confusion and disagreements when vacancies have occurred. Further, where interim elections are to be held, questions arise concerning the timing of the interim election.

In order to resolve these issues, I recommend that the Laws be amended to provide that if local bylaws do not state otherwise, that interim elections shall be held only when a year or more remains in the term of office, and that when less than a year remains, that vacancies be filled by appointment or as provided for in CGL Section 13.10, Vice President’s Duties.

To resolve questions concerning the time frame in which interim elections are to be held, I recommend that the Laws be amended to provide that interim elections be held within 60 days of a vacancy in office.
14.10 Elections to Fill Unexpired Terms (Interim Elections). (a) When a local union office becomes vacant and there remains one (1) year or more in the term of office, an interim election shall be held to fill the vacancy. When a L.U. or executive board office becomes vacant and there remains less than one (1) year in the term of office, the president-business agent, subject to approval of the L.U. executive board, shall appoint a member qualified to hold office under Sections 14.2 and 14.3, to serve the remainder of the term of office; except that when the president-business agent resigns, the L.U. vice president shall serve out the remainder of the term of office as provided for in Section 13.10; provided that a L.U. may, through its bylaws, affirmatively declare that an interim election shall be held when a L.U. or executive board office becomes vacant and there remains less than one (1) year in the term of office.

(b) In the event that an interim election is to be held to fill the unexpired term caused by the resignation of any incumbent of a L.U. officer or executive board member, the following rules shall apply: The nominations meeting and interim election shall be held within 60 days of the vacancy in office. In order to be a candidate for office in an interim election, any incumbent L.U. officer, executive board member or other elected representative desiring to fill a vacancy for the remainder of the term must submit his or her resignation at or before the opening session of the monthly meeting at which nominations for the vacant office are received and prior to the close of nominations for that office and thereafter any such additional vacant offices shall be included in the interim election. The 15-day mail notice of interim elections required by Section 14.7 shall specify that the elections will include not only the original vacated position, but also any other office that may come open by resignation of the incumbent during the nominations process. All such resignations shall be effective upon the completion of the election process. A L.U. officer, executive board member or other elected representative whose resignation during the term of office causes an interim election shall not be deemed eligible to run for any L.U. office for the remainder of the unexpired term.

V. Audits and Defalcations

A. Feepayer Audits

Currently the Laws require local unions to perform a feepayer audit prior to charging a non-member fee objector a fair-share fee. Beginning in 2013, the International Union changed its fee objector policy so that a local union may now utilize the “local presumption.”

If a fee objector is employed by a private-sector employer, the “local presumption” doctrine allows a local union to adopt the fair share fee calculation of the expenses of its international union to its local union expenses. In such a case, the law does not require a local union to perform its own feepayer audit.

A local union has a legal obligation to perform a feepayer audit, therefore, only if the objector being charged a fair share fee is employed by a public sector employer, or if the local union chooses not to adopt the International Union’s fee calculation.

I recommend that feepayer audits not be required of all local unions seeking to collect fair share fees, so that local unions may avoid the costs associated with such audits if able to do so lawfully under the “local presumption” doctrine.

PROPOSED AMENDMENT
(Current language to be deleted appears in overstruck text; New language to be added appears in underlined italics.)

37.2 L.U.s, J.B.C.s, J.S.C.s, and Other Subordinate Bodies. At the close of each six-month period ending on June 30 and December 31, L.U.s, J.B.C.s, J.S.C.s, and other subordinate bodies shall have an audit made of their books and accounts.

At least once a year, L.U.s, J.B.C.s, and other subordinate bodies representing bargaining unit(s) of five hundred (500) or more employees shall have the audit made by either a certified public accountant or chartered accountant.

In addition, any L.U. which seeks to collect agency fees from nonmember employees under agency shop, fair share or similar contract provisions must retain a certified public accountant to perform an annual audit and to verify the L.U.’s feepayer audit if under a legal obligation to do so.
B. Application of Audit Requirements to J.B.C.s, J.S.C.s and Other Subordinate Bodies

Section 37.2, L.U.s, J.B.C.s, J.S.C.s, and Other Subordinate Bodies, requires local unions and intermediary union bodies to audit their finances semiannually. Sections 37.4, Reporting Requirements, 37.5, Delinquency, and 37.6, Duties of L.U. Officers, requires reporting and disclosure of the audits, provides procedures to be followed when audits are delinquent, and delineates officers’ responsibility for the audit.

Although the International Union has always required Joint Bargaining Councils, Joint Service Councils and other subordinate bodies to comply with Section 37.4, 37.5 and 37.6, those sections reference only local unions.

In order to clarify the obligations of Joint Bargaining Councils, Joint Service Councils and other subordinate bodies, and to clarify that they are held to the same standards as local unions, I recommend that the Laws be amended to explicitly state that Joint Bargaining Councils, Joint Service Councils and other subordinate bodies are subject to Sections 37.4, 37.5 and 37.6.

PROPOSED AMENDMENT

(Current language to be deleted appears in overstruck text. New language to be added appears in underlined italics.)

37.4 Reporting Requirements. A report of the audit must be filled out upon the regular forms, which will be supplied from the international office, and forwarded to the I.S.T., together with a complete copy of any separate statement prepared by a certified public accountant or chartered accountant. The report must be countersigned by the president and R.S. of the L.U., or by the corresponding officers of J.B.C.s, J.S.C.s or other subordinate bodies, and shall be available to the membership of the L.U., J.B.C., J.S.C. or other subordinate body membership. This report will specify the amount of money on hand at the end of the last audit, monies received for dues, assessments, initiations and from all other sources, during the period, also expenditures for enrollment fees, per capita tax, supplies from the international office and amount expended for other purposes, and a statement from the bank in which the L.U.’s funds of the L.U., J.B.C., J.S.C. or other subordinate body are deposited, stating the amount on deposit, with the number of members initiated and suspended as the form requires.

37.5 Delinquency. L.U.s, J.B.C.s, J.S.C.s or other subordinate bodies not filing an audit report with the I.U. by the ninetieth (90th) day after the end of a six-month period will be sent the following notice by registered or certified letter, one (1) being addressed to the president or other chief executive officer, at an address other than that of the recording and financial secretaries, and one (1) to the R.S., or appropriate officer, of the L.U., J.B.C., J.S.C. or other subordinate body:

“I take this means of informing you that the audit report of your [L.U., J.B.C., J.S.B. or other subordinate body] for the six-month period ending ........... has not been received, as the laws of this Union require. You are aware that Section 37.5 of the Constitution and General Laws specifies this report must be filed on or before the 90th day following the close of the six-month audit period. You yet have until the 15th of ............. to comply. If your report is not received by that date, the bonds of your officers under bond will thereby be canceled, as these laws provide.”

The I.P. shall also assign an international officer, auditor or other representative to conduct an investigation of any L.U.s, J.B.C.s, J.S.C.s or other subordinate bodies not reporting by that date. A report of his or her findings and recommendations shall be made to the I.P. upon completion of the investigation.

If the notice of delinquency is not responded to and the audit report sent by the fifteenth (15th) day of the next month as specified, the I.S.T. may take steps to cause the bonds of L.U., J.B.C., J.S.B. or other subordinate body officers to be canceled.

37.6 Duties of L.U., J.B.C., J.S.C., or other Subordinate Body Officers. It is the duty of the president, R.S. and executive board of the L.U., and of the corresponding officers of the J.B.C., J.S.C. or other subordinate body, to see that the auditors of the L.U., J.B.C., J.S.C. or other subordinate body properly perform their duties, that there is an audit made of the accounts of the financial officers of the L.U., J.B.C., J.S.C. or other subordinate body every six (6) months, and that the records on the regular six-month audit forms of the I.U. are made out and signed by the auditor(s) with a copy of the same placed in the hands of the R.S. or other appropriate officer, whose duty it is to forward such to the international office. Any neglect on the part of the above officers to carry out the laws as this section requires may cause the annulling of the bonds and the loss of indemnity to the L.U., J.B.C., J.S.C. or other subordinate body.
C. Application of Defalcation and Shortages Obligations to Officers of J.B.C.s, J.S.C. and Other Subordinate Bodies

Section 38, Defalcations and Shortages, lays out the obligations of an officer who suspects that union funds have been misappropriated. As currently written, Section 38 references only local unions and local union officers, but ATU members rightfully expect officers of Joint Bargaining Councils, Joint Service Councils and all other subordinate bodies to live up to these standards.

For that reason, I recommend that Section 38 be amended to apply the same obligations that local union officers have regarding defalcations and shortages to officers of Joint Bargaining Councils, Joint Service Councils and other subordinate bodies.

PROPOSED AMENDMENT

(Current language to be deleted appears in overstruck text; New language to be added appears in underlined italics.)

SEC. 38 DEFALCATIONS AND SHORTAGES: It shall be the duty of each L.U., J.B.C., J.S.C. and other subordinate body officer to promptly report to the I.S.T. any suspected defalcation or shortage on the part of any individual bonded under the provisions of this Constitution. Upon notice of such, it shall be the duty of the president of the L.U., or chief executive officer of the J.B.C., J.S.C. or other subordinate body, to immediately call a meeting of the executive board of the local L.U., J.B.C., J.S.C. or other subordinate body. The board shall have an audit made of the accounts of the individual or individuals handling finances. If the audit finds any shortage, discrepancies, or irregularities, the L.U., J.B.C., J.S.C. or other subordinate body shall immediately so notify the I.S.T., giving full information as to the amount of the shortage, the individual’s name, and conditions of the case, and the L.U.-board shall demand that the individual or individuals involved make a satisfactory adjustment of their accounts at once. If they refuse to make satisfactory settlement, the president or chair of the L.U., J.B.C., J.S.C. or other subordinate body shall at once have a warrant sworn out for the arrest of such individual or individuals and proceed to prosecute through the courts, until the case has either been disposed of by the courts or a satisfactory adjustment made and the case dismissed by the courts.

VI. Representation in Internal Union Hearings

Members charged under International Constitution Section 12.5, Discipline: L.U. Members, are entitled to be represented by “counsel” in any proceedings. The International Union has never read that provision to allow a member subject to Section 12.5 charges to be represented by an attorney or any other advocate who was not a member of ATU.

The language in Section 12.5 is different from the language in Section 12.6, Trusteeships, which provides that subordinate bodies are entitled to “legal counsel.” Introducing attorneys and non-ATU advocates into Section 12.5 proceedings would diminish ATU self-governance, cause procedural delays, and alter the nature of internal hearings under Section 12.5. I recommend that the International Constitution’s language be amended to clarify who may serve as a representative in Section 12.5 proceedings.

PROPOSED AMENDMENT

(Current language to be deleted appears in overstruck text. New language to be added appears in underlined italics.)

12.5 Discipline: L.U. Members. The G.E.B. shall have authority to deal with individual members of a L.U. for refusal to carry out the laws and policies of the Union or attempts to thwart or interfere with the policies of this Union and for other violations specifically set forth in Section 22, all of which conduct shall constitute violations of this section. Charges against any member alleging violations of the provisions of this section or of any provision of this Constitution and General Laws may be filed with the G.E.B. upon the signature of at least two officers of the I.U. A copy of such charges shall be served upon the member or members accused of violations. The G.E.B. may, if it wishes, refer such charges to the L.U. for processing in accordance with Section 22. If it does not refer the charges for processing in accordance with Section 22 or if processing of the charges is otherwise governed by Section 22.2, the G.E.B. shall investigate the charges and will be empowered to issue and cause to be served upon the accused member or members a complaint stating the charges in respect to violation of this section which shall be in writing and shall be specific. The G.E.B. shall direct that a hearing shall be held upon said complaint and shall appoint either a trial committee or a hearing
officer to conduct a hearing in the matter. At least ten (10) days’ notice of the holding of such a hearing shall be given to the accused member or members. The accused member or members shall have the right to be represented by counsel or any member not serving on the trial board, as hearing officer, or on the G.E.B., and shall have full opportunity to present evidence and examine and cross-examine witnesses. The trial committee, or hearing officer, as the case may be, shall make a report containing findings and recommendations to the G.E.B. The G.E.B. shall consider the report and recommendations and shall take such actions as it may deem appropriate. The G.E.B.’s power to deal with members found guilty of violations of this section shall include the power to suspend, expel, fine, declare ineligible for holding office or otherwise discipline such members. The G.E.B.’s act in suspending, expelling, fining, declaring ineligible for office or otherwise disciplining any member or members shall be fully reported by the G.E.B. to the Convention immediately succeeding such action. The member or members affected by such action shall have the right to appeal to the Convention and have the case fully considered and acted upon by the Convention. The action of the Convention is to be final, provided that nothing herein shall limit any rights such members may have under Section 101(a)(4) of the Labor-Management Reporting and Disclosure Act of 1959. Where the G.E.B. suspends, expels, fines, declares ineligible for office or otherwise disciplines a member, the L.U. has no right to interfere or to take any other action except that taken by the G.E.B. in connection with cases of this kind. The L.U. must carry out the action of the G.E.B. and await the final action of the Convention and be guided by the action of the Convention in all such cases.

VII. Provision of C.G.L. and L.U. Bylaws to Members

The International Constitution and General Laws requires that each new member be provided with a copy of the CGL and his or her local union's bylaws at the time of his or her enrollment into the Union, and that after each International Convention the International Union provide to each local union at local union expense sufficient copies of the CGL for each of the local union's members.

Increasingly our members prefer electronic documents over hardcopy documents due to the ability to search, store, copy and transmit electronic documents. The use of electronic documents may also be more economical in many instances for the International Union and local unions. For those reasons, I recommend that the Laws be amended to make clear that copies of the CGL and L.U. bylaws may be provided in either hardcopy or electronic format.

PROPOSED AMENDMENT

(Current language to be deleted appears in overstruck text. New language to be added appears in underlined italics.)

21.6 Membership in Good Standing. Each member will be entitled to all benefits, rights and privileges of this Union by the member's and the member's L.U. obeying the Constitution and General Laws. The member must have submitted an application in accordance with Section 21.3 and either have paid dues and initiation fees in whole or in part or have authorized payroll deductions for such. Such member shall then be in good standing and shall be obligated into membership, presented with a copy of the Constitution and of the L.U. bylaws either by hard copy or electronically, properly enrolled in the international office and receive a membership card and certificate. No member shall be allowed to injure the interests of a fellow member by undermining him or her in place, wages, or in any other willful act.

PROPOSED AMENDMENT

(Current language to be deleted appears in overstruck text. New language to be added appears in underlined italics.)

SEC. 41 CONSTITUTIONAL AMENDMENTS:

This Constitution shall not be amended except at a regular session of a Convention, two-thirds of the delegates present voting in favor of such amendments, unless it be amended as prescribed by this Constitution.

Unless otherwise provided for, these laws as amended by the Fifty-Sixth Convention, shall take effect as of January 1, 2011.

After each regular Convention of this Union, the international office shall provide, by either hard copy or electronically, each L.U. with a sufficient number of revised Constitutions to provide a copy in the hands of each member in good standing, the same to be billed to the L.U. as provided by Section 13.18.
Concluding Remarks

It is impossible to convey the full scope of our International Union’s activity over the last three years, even in a report as lengthy and detailed as this. I am indebted to the remarkable staff of our Union who have stepped up and enthusiastically accepted the massive challenge of setting our International “ship” aright, and on course once again.

Every Department of this International Union has worked hard to bring about the change envisioned by the delegates to the 56th Convention. And thousands more in locals across North America have responded to the call to help ATU achieve new and ambitious goals.

No report can adequately capture all of that; much less adequately describe the energy and spirit that has been unleashed in our Union during the last convention cycle.

All I can do is express my gratitude for the tremendous work that has been done thus far, while exhorting every member to forge on. For while we have accomplished a lot, there is so much more that we have left to do.

It is my sincere hope that this Convention will be the catalyst for the great work we’ll do in the next three years and beyond.

Sincerely,

Larry Hanley
International President
Officers and Delegates:

In accordance with the Constitution and General Laws of the Amalgamated Transit Union, I submit to you a financial report of the work of the Office of the International Secretary-Treasurer for the three-year period of July 1, 2010, through June 30, 2013.

Audits and examinations of all books, accounts and financial records of this Union have been made regularly at the close of the following six-month periods: December 31, 2010; June 30, 2011; December 31, 2011; June 30, 2012; December 31, 2012; and June 30, 2013. The audits were performed by Calibre CPA Group, PLLC, Certified Public Accountants, 7501 Wisconsin Ave., Bethesda, MD 20814. This firm was selected by the General Executive Board in accordance with our laws.

The audit reports rendered by them were examined and passed upon by the General Executive Board at its regular semi-annual meetings. The auditor statements, together with complete itemized reports showing income and expense and financial standing, have been printed and copies of the same mailed to the financial secretaries of all local unions, as our laws require.
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<td>In Banks:</td>
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<td>- Other</td>
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<td>Furniture, Office Equipment and Software</td>
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INCOME
Combined U.S. & Canadian
Converted to U.S. Dollars

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<th>2012</th>
<th>2013</th>
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<td>G.E.B. Transfers</td>
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<td>(3,487,905)</td>
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<td>$15,061,521</td>
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<td></td>
<td>$4,286,851</td>
<td>$4,395,527</td>
<td>$4,684,399</td>
</tr>
<tr>
<td>BONDING &amp; INDEMNITY FUND</td>
<td>$82,077</td>
<td>$88,143</td>
<td>$88,731</td>
</tr>
<tr>
<td>Bond Premiums</td>
<td>$82,077</td>
<td>$88,143</td>
<td>$88,731</td>
</tr>
<tr>
<td>BUILDING FUND</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>CONVENTION FUND</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registration Fees</td>
<td>$190,846</td>
<td>$ (175)</td>
<td>$105,094</td>
</tr>
<tr>
<td>G.E.B. Transfers</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td></td>
<td>$1,190,846</td>
<td>$999,825</td>
<td>$1,105,094</td>
</tr>
<tr>
<td>HEALTH FUND</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Net Investment Earnings (Loss)</td>
<td>281,576</td>
<td>241,755</td>
<td>311,063</td>
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<tr>
<td>Miscellaneous</td>
<td>0</td>
<td>0</td>
<td>228,104</td>
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<tr>
<td>G.E.B. Transfers</td>
<td>3,388,536</td>
<td>2,487,905</td>
<td>1,914,314</td>
</tr>
<tr>
<td></td>
<td>$3,670,112</td>
<td>$2,729,660</td>
<td>$2,453,481</td>
</tr>
<tr>
<td>ORGANIZING AND ACTIVISM FUND</td>
<td>$937,737</td>
<td>$961,850</td>
<td>$1,040,896</td>
</tr>
<tr>
<td>Per Capita Tax</td>
<td>$937,737</td>
<td>$961,850</td>
<td>$1,040,896</td>
</tr>
<tr>
<td>TOTAL INCOME</td>
<td>$27,165,149</td>
<td>$26,929,308</td>
<td>$30,103,298</td>
</tr>
</tbody>
</table>
## EXPENSES
Combined U.S. & Canadian
Converted to U.S. Dollars

### GENERAL FUND

<table>
<thead>
<tr>
<th>Per Capita Tax to:</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFL-CIO</td>
<td>$1,046,267</td>
<td>$1,042,046</td>
<td>$971,631</td>
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<tr>
<td>Blue Green Alliance</td>
<td>25,000</td>
<td>25,000</td>
<td>25,000</td>
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<tr>
<td>Canadian Labour Congress</td>
<td>256,348</td>
<td>258,903</td>
<td>258,766</td>
</tr>
<tr>
<td>International Transport Workers’ Federation</td>
<td>11,038</td>
<td>0</td>
<td>28,238</td>
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<tr>
<td>Transportation Trades Dept., AFL-CIO</td>
<td>274,500</td>
<td>280,800</td>
<td>288,000</td>
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<tr>
<td>Union Label &amp; Svc. Trades, AFL-CIO</td>
<td>12,000</td>
<td>12,000</td>
<td>12,000</td>
</tr>
<tr>
<td>Union Label Trades, CLC</td>
<td>593</td>
<td>587</td>
<td>586</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>5,632,361</td>
<td>5,736,858</td>
<td>5,532,452</td>
</tr>
<tr>
<td>Travel and related expenses</td>
<td>1,489,431</td>
<td>1,732,686</td>
<td>1,356,397</td>
</tr>
<tr>
<td>Railroad Retirement Taxes</td>
<td>1,683,625</td>
<td>1,717,591</td>
<td>1,649,770</td>
</tr>
<tr>
<td>Pension Fund</td>
<td>5,133,865</td>
<td>5,027,758</td>
<td>3,174,771</td>
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<tr>
<td>Insurance</td>
<td>111,663</td>
<td>144,437</td>
<td>119,147</td>
</tr>
<tr>
<td>Educational Seminars</td>
<td>904,722</td>
<td>1,436,340</td>
<td>617,711</td>
</tr>
<tr>
<td>Audit &amp; Accounting Fees</td>
<td>34,110</td>
<td>64,245</td>
<td>35,500</td>
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<tr>
<td>Actuary Fees</td>
<td>14,014</td>
<td>41,435</td>
<td>17,568</td>
</tr>
<tr>
<td>Publication &amp; Distribution Costs</td>
<td>653,370</td>
<td>437,946</td>
<td>552,697</td>
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<tr>
<td>Financial Assistance</td>
<td>32,500</td>
<td>37,500</td>
<td>0</td>
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<tr>
<td>Donations</td>
<td>256,257</td>
<td>365,585</td>
<td>441,108</td>
</tr>
<tr>
<td>Allocated Bldg. Operating Costs</td>
<td>305,149</td>
<td>290,043</td>
<td>285,120</td>
</tr>
<tr>
<td>Depreciation</td>
<td>156,791</td>
<td>125,248</td>
<td>110,147</td>
</tr>
<tr>
<td>Canadian National Office</td>
<td>41,109</td>
<td>45,436</td>
<td>36,689</td>
</tr>
<tr>
<td>Printing &amp; Supplies</td>
<td>106,540</td>
<td>212,349</td>
<td>108,818</td>
</tr>
<tr>
<td>Postage</td>
<td>75,181</td>
<td>106,277</td>
<td>99,509</td>
</tr>
<tr>
<td>Telephone</td>
<td>89,724</td>
<td>94,358</td>
<td>99,405</td>
</tr>
<tr>
<td>ATU Internet &amp; Website</td>
<td>85,102</td>
<td>134,247</td>
<td>81,612</td>
</tr>
<tr>
<td>Subscriptions &amp; Publications</td>
<td>5,202</td>
<td>9,568</td>
<td>6,266</td>
</tr>
<tr>
<td>Other Office</td>
<td>177,987</td>
<td>281,914</td>
<td>348,643</td>
</tr>
<tr>
<td>Personal Property &amp; Other Taxes</td>
<td>15,477</td>
<td>10,165</td>
<td>8,623</td>
</tr>
<tr>
<td>MUMS Expense</td>
<td>21,815</td>
<td>26,432</td>
<td>25,375</td>
</tr>
<tr>
<td>COPE Fund</td>
<td>175,483</td>
<td>169,755</td>
<td>231,930</td>
</tr>
<tr>
<td>ATU Jerry Fund</td>
<td>19,688</td>
<td>22,952</td>
<td>19,314</td>
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<tr>
<td>ATU Scholarship Program</td>
<td>28,293</td>
<td>44,858</td>
<td>26,816</td>
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<tr>
<td>ATU Disaster Relief</td>
<td>0</td>
<td>0</td>
<td>67,355</td>
</tr>
<tr>
<td>401(k) and 457 Retirement Plan</td>
<td>39,408</td>
<td>40,707</td>
<td>106,303</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>298,340</td>
<td>459,823</td>
<td>387,878</td>
</tr>
</tbody>
</table>

| Total                               | $19,212,953 | $20,435,849 | $17,131,145 |
## EXPENSES

**Fiscal Years Ended June 30, 2011, 2012, 2013**

**Combined U.S. & Canadian**

**Converted to U.S. Dollars**

### BENEFIT FUND

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funeral/Disability Benefits</td>
<td>$1,206,898</td>
<td>$1,335,565</td>
<td>$1,287,059</td>
</tr>
<tr>
<td>Salaries</td>
<td>52,569</td>
<td>58,657</td>
<td>56,212</td>
</tr>
<tr>
<td>Allocated Bldg. Operating Costs</td>
<td>122,059</td>
<td>116,017</td>
<td>114,048</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,381,526</td>
<td>$1,510,239</td>
<td>$1,457,319</td>
</tr>
</tbody>
</table>

### DEFENSE FUND

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations to Locals on Strike</td>
<td>$178,026</td>
<td>$1,472,691</td>
<td>$3,672,659</td>
</tr>
<tr>
<td>Arbitration, Other</td>
<td>188,606</td>
<td>24,181</td>
<td>61,035</td>
</tr>
<tr>
<td>Financial Assistance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outside legal &amp; consulting fees</td>
<td>1,863,473</td>
<td>1,338,212</td>
<td>722,888</td>
</tr>
<tr>
<td>Legal Department:</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Salaries</td>
<td>987,258</td>
<td>879,943</td>
<td>911,132</td>
</tr>
<tr>
<td>Travel</td>
<td>18,578</td>
<td>32,159</td>
<td>28,760</td>
</tr>
<tr>
<td>Subscriptions &amp; Publications</td>
<td>59,023</td>
<td>55,244</td>
<td>58,119</td>
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<tr>
<td>Depreciation</td>
<td>9,916</td>
<td>9,381</td>
<td>8,856</td>
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<tr>
<td>Telephone</td>
<td>5,810</td>
<td>4,861</td>
<td>9,200</td>
</tr>
<tr>
<td>Allocated Bldg. Operating Costs</td>
<td>183,089</td>
<td>174,026</td>
<td>171,071</td>
</tr>
<tr>
<td>State battles and local union assistance</td>
<td>453,389</td>
<td>433,331</td>
<td>1,171,346</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>82,442</td>
<td>132,345</td>
<td>145,546</td>
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<tr>
<td><strong>Total</strong></td>
<td>$4,029,610</td>
<td>$4,556,374</td>
<td>$6,960,612</td>
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</table>

### BONDING & INDEMNITY FUND

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond Premiums</td>
<td>$82,906</td>
<td>$90,486</td>
<td>$92,267</td>
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</table>

### BUILDING FUND

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td>$248,848</td>
<td>$248,848</td>
<td>$248,848</td>
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</tbody>
</table>

### CONVENTION FUND

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convention Expenses</td>
<td>$2,873,626</td>
<td>$(3,060)</td>
<td>$118,637</td>
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</tbody>
</table>

### HEALTH FUND

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance</td>
<td>$3,604,452</td>
<td>$2,687,076</td>
<td>$2,389,440</td>
</tr>
<tr>
<td>Outside legal &amp; consulting fees</td>
<td>65,660</td>
<td>0</td>
<td>16,541</td>
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<tr>
<td>Miscellaneous</td>
<td>0</td>
<td>42,584</td>
<td>47,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$3,670,112</td>
<td>$2,729,660</td>
<td>$2,453,481</td>
</tr>
</tbody>
</table>

### ORGANIZING AND ACTIVISM FUND

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits to Special Holding</td>
<td>$477,831</td>
<td>$807,335</td>
<td>$1,338,939</td>
</tr>
<tr>
<td>Salaries</td>
<td>227,226</td>
<td>418,330</td>
<td>316,465</td>
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<tr>
<td>Travel</td>
<td>160,325</td>
<td>258,257</td>
<td>149,842</td>
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<tr>
<td>Telephone</td>
<td>3,749</td>
<td>11,274</td>
<td>7,002</td>
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<tr>
<td>Outside legal &amp; consulting fees</td>
<td>10,177</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Printing &amp; Supplies</td>
<td>960</td>
<td>5,908</td>
<td>695</td>
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<tr>
<td>Member Organizing Expenses</td>
<td>51,119</td>
<td>36,889</td>
<td>2,487</td>
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<tr>
<td>Miscellaneous</td>
<td>24,275</td>
<td>76,677</td>
<td>94,675</td>
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<tr>
<td><strong>Total</strong></td>
<td>$477,831</td>
<td>$807,335</td>
<td>$1,338,939</td>
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</table>

### TOTAL EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>$31,977,412</td>
<td>$30,375,731</td>
<td>$29,801,248</td>
</tr>
</tbody>
</table>
Building Operating Fund  
Income & Expenses  
Three Fiscal Years Ended June 30, 2013

**INCOME:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rents Collected</td>
<td>$771,745</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$7,300</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>$779,045</strong></td>
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</table>

**EXPENSES:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$192,875</td>
</tr>
<tr>
<td>Water &amp; Sewer</td>
<td>$34,434</td>
</tr>
<tr>
<td>Electricity &amp; Gas</td>
<td>$320,300</td>
</tr>
<tr>
<td>Trash Removal</td>
<td>$93,342</td>
</tr>
<tr>
<td>Real Estate Taxes</td>
<td>$404,097</td>
</tr>
<tr>
<td>Cleaning and Cleaning Supplies</td>
<td>$231,084</td>
</tr>
<tr>
<td>Repairs &amp; Maintenance</td>
<td>$204,857</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$793,639</td>
</tr>
<tr>
<td>Painting, Carpeting &amp; Decorating</td>
<td>$60,691</td>
</tr>
<tr>
<td>Window Cleaning</td>
<td>$3,392</td>
</tr>
<tr>
<td>Management Fees</td>
<td>$61,980</td>
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<tr>
<td>Van Operation Maintenance</td>
<td>$4,750</td>
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<tr>
<td>Lease Commissions</td>
<td>$4,728</td>
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<tr>
<td>Insurance</td>
<td>$18,742</td>
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<tr>
<td>Building Security</td>
<td>$66,056</td>
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<tr>
<td>Miscellaneous</td>
<td>$44,700</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$2,539,667</strong></td>
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</table>

**EXCESS OF EXPENSES OVER INCOME**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Excess of Expenses Over Income</strong></td>
<td><strong>$1,760,622</strong></td>
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**ALLOCATION**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$880,312</td>
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<tr>
<td>Benefit Fund</td>
<td>$352,124</td>
</tr>
<tr>
<td>Defense Fund</td>
<td>$528,186</td>
</tr>
<tr>
<td><strong>Total Allocation</strong></td>
<td><strong>$1,760,622</strong></td>
</tr>
</tbody>
</table>

\[88\]
## MEMBERS' EQUITY
(Net Worth)

<table>
<thead>
<tr>
<th></th>
<th>Fiscal Year Ended 6/30/11</th>
<th>Fiscal Year Ended 6/30/12</th>
<th>Fiscal Year Ended 6/30/13</th>
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</thead>
<tbody>
<tr>
<td><strong>SUMMARY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members' Equity - Beg. Of Year</td>
<td>$105,511,764</td>
<td>$100,699,501</td>
<td>$97,253,078</td>
</tr>
<tr>
<td>Income - July 1 thru June 30</td>
<td>27,165,149</td>
<td>26,929,308</td>
<td>30,103,298</td>
</tr>
<tr>
<td>Expenses - July 1 thru June 30</td>
<td>(31,977,412)</td>
<td>(30,375,731)</td>
<td>(29,801,248)</td>
</tr>
<tr>
<td>Members' Equity - End Of Year</td>
<td>$100,699,501</td>
<td>$97,253,078</td>
<td>$97,555,128</td>
</tr>
<tr>
<td><strong>GENERAL FUND</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members' Equity - Beg. Of Year</td>
<td>$32,489,093</td>
<td>$28,337,661</td>
<td>$23,704,620</td>
</tr>
<tr>
<td>Income - July 1 thru June 30</td>
<td>19,450,057</td>
<td>19,290,713</td>
<td>17,131,145</td>
</tr>
<tr>
<td>Expenses - July 1 thru June 30</td>
<td>(19,212,953)</td>
<td>(20,435,849)</td>
<td>(17,131,145)</td>
</tr>
<tr>
<td>Transfers to Convention Fund</td>
<td>(1,000,000)</td>
<td>(1,000,000)</td>
<td>(1,000,000)</td>
</tr>
<tr>
<td>Transfers to Health Fund</td>
<td>(3,388,536)</td>
<td>(2,487,905)</td>
<td>(1,914,314)</td>
</tr>
<tr>
<td>Members' Equity - End Of Year</td>
<td>$28,337,661</td>
<td>$23,704,620</td>
<td>$25,248,583</td>
</tr>
<tr>
<td><strong>BENEFIT FUND</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members' Equity - Beg. Of Year</td>
<td>$27,754,774</td>
<td>$28,309,253</td>
<td>$28,750,509</td>
</tr>
<tr>
<td>Income - July 1 thru June 30</td>
<td>1,936,005</td>
<td>1,951,495</td>
<td>2,055,589</td>
</tr>
<tr>
<td>Expenses - July 1 thru June 30</td>
<td>(1,381,526)</td>
<td>(1,510,239)</td>
<td>(1,457,319)</td>
</tr>
<tr>
<td>Transfers to Convention Fund</td>
<td>(1,000,000)</td>
<td>(1,000,000)</td>
<td>(1,000,000)</td>
</tr>
<tr>
<td>Transfers to Health Fund</td>
<td>(3,388,536)</td>
<td>(2,487,905)</td>
<td>(1,914,314)</td>
</tr>
<tr>
<td>Members' Equity - End Of Year</td>
<td>$28,309,253</td>
<td>$28,750,509</td>
<td>$29,348,779</td>
</tr>
<tr>
<td><strong>DEFENSE FUND</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members' Equity - Beg. Of Year</td>
<td>$29,618,964</td>
<td>$29,876,205</td>
<td>$29,715,358</td>
</tr>
<tr>
<td>Income - July 1 thru June 30</td>
<td>82,077</td>
<td>88,143</td>
<td>88,731</td>
</tr>
<tr>
<td>Expenses - July 1 thru June 30</td>
<td>(82,906)</td>
<td>(80,486)</td>
<td>(92,267)</td>
</tr>
<tr>
<td>Members' Equity - End Of Year</td>
<td>$29,876,205</td>
<td>$29,715,358</td>
<td>$27,439,145</td>
</tr>
<tr>
<td><strong>BONDING &amp; INDEMNITY FUND</strong></td>
<td>$177,017</td>
<td>$176,188</td>
<td>$173,845</td>
</tr>
<tr>
<td>Income - July 1 thru June 30</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Expenses - July 1 thru June 30</td>
<td>(2,873,626)</td>
<td>3,060</td>
<td>(118,637)</td>
</tr>
<tr>
<td>Members' Equity - End Of Year</td>
<td>$1,851,353</td>
<td>$1,602,505</td>
<td>$1,353,657</td>
</tr>
<tr>
<td><strong>BUILDING FUND</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members' Equity - Beg. Of Year</td>
<td>$2,100,201</td>
<td>$1,851,353</td>
<td>$1,602,505</td>
</tr>
<tr>
<td>Income - July 1 thru June 30</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Expenses - July 1 thru June 30</td>
<td>(2,873,626)</td>
<td>3,060</td>
<td>(118,637)</td>
</tr>
<tr>
<td>Members' Equity - End Of Year</td>
<td>$1,851,353</td>
<td>$1,602,505</td>
<td>$1,353,657</td>
</tr>
<tr>
<td><strong>CONVENTION FUND</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members' Equity - Beg. Of Year</td>
<td>$2,195,752</td>
<td>$512,972</td>
<td>$1,515,857</td>
</tr>
<tr>
<td>Income - July 1 thru June 30</td>
<td>190,846</td>
<td>(175)</td>
<td>105,094</td>
</tr>
<tr>
<td>Expenses - July 1 thru June 30</td>
<td>(2,873,626)</td>
<td>3,060</td>
<td>(118,637)</td>
</tr>
<tr>
<td>Transfers from General Fund</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Members' Equity - End Of Year</td>
<td>$512,972</td>
<td>$1,515,857</td>
<td>$2,502,314</td>
</tr>
<tr>
<td><strong>HEALTH FUND</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members' Equity - Beg. Of Year</td>
<td>$10,000,000</td>
<td>$10,000,000</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Income - July 1 thru June 30</td>
<td>281,576</td>
<td>241,755</td>
<td>539,167</td>
</tr>
<tr>
<td>Expenses - July 1 thru June 30</td>
<td>(3,670,112)</td>
<td>(2,729,660)</td>
<td>(2,453,481)</td>
</tr>
<tr>
<td>Transfers from General Fund</td>
<td>3,388,536</td>
<td>2,487,905</td>
<td>1,914,314</td>
</tr>
<tr>
<td>Members' Equity - End Of Year</td>
<td>$10,000,000</td>
<td>$10,000,000</td>
<td>$10,000,000</td>
</tr>
<tr>
<td><strong>ORGANIZING FUND</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members' Equity - Beg. Of Year</td>
<td>$1,175,963</td>
<td>$1,635,869</td>
<td>$1,790,384</td>
</tr>
<tr>
<td>Income - July 1 thru June 30</td>
<td>937,737</td>
<td>961,850</td>
<td>1,040,896</td>
</tr>
<tr>
<td>Expenses - July 1 thru June 30</td>
<td>(477,831)</td>
<td>(807,335)</td>
<td>(1,338,939)</td>
</tr>
<tr>
<td>Members' Equity - End Of Year</td>
<td>$1,635,869</td>
<td>$1,790,384</td>
<td>$1,492,341</td>
</tr>
</tbody>
</table>
## Donations to Local Unions on Strike or Lock Out

<table>
<thead>
<tr>
<th>Strike Benefits</th>
<th>July 1, 2010, to June 30, 2011, inclusive:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Local 1462, St. John's, NL</td>
</tr>
<tr>
<td></td>
<td>$175,350</td>
</tr>
<tr>
<td></td>
<td>Local 1764, Washington, DC</td>
</tr>
<tr>
<td></td>
<td>4,800</td>
</tr>
<tr>
<td></td>
<td><strong>180,150</strong></td>
</tr>
<tr>
<td></td>
<td>Local 1462, St. John's, NL</td>
</tr>
<tr>
<td></td>
<td>$750</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strike Benefits</th>
<th>July 1, 2011, to June 30, 2012, inclusive:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Local 113, Toronto, ON</td>
</tr>
<tr>
<td></td>
<td>$361,050</td>
</tr>
<tr>
<td></td>
<td>Local 508, Halifax, NS</td>
</tr>
<tr>
<td></td>
<td>339,600</td>
</tr>
<tr>
<td></td>
<td>Local 1229, St. John, NB</td>
</tr>
<tr>
<td></td>
<td>163,350</td>
</tr>
<tr>
<td></td>
<td>Local 1462, St. John's NL</td>
</tr>
<tr>
<td></td>
<td>750</td>
</tr>
<tr>
<td></td>
<td>Local 1587, Toronto, ON</td>
</tr>
<tr>
<td></td>
<td>641,100</td>
</tr>
<tr>
<td></td>
<td><strong>1,505,850</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strike Benefits</th>
<th>July 1, 2012, to June 30, 2013, inclusive:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Local 1290, Moncton, NB</td>
</tr>
<tr>
<td></td>
<td>$247,050</td>
</tr>
<tr>
<td></td>
<td>Local 1181, New York, NY</td>
</tr>
<tr>
<td></td>
<td>3,431,400</td>
</tr>
<tr>
<td></td>
<td><strong>3,678,450</strong></td>
</tr>
</tbody>
</table>

Note: The above amounts were paid in U.S. and Canadian funds.
Comparative Analysis of the Union's Funds as of July 1, 2010, and June 30, 2013

**General Fund**

The balance in the General Fund as of July 1, 2010, was $32,489,093. The corresponding balance in the Fund on June 30, 2013, was $25,248,583, representing a decrease to the Fund for the three-year period of $7,240,510, after transferring $3,000,000, to the Convention Fund and $7,790,755 to the Health Fund.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per capita tax, fees, and investment earnings, etc.</td>
<td>$60,330,192</td>
</tr>
<tr>
<td>Expenses of the Fund for the three-year period</td>
<td>$(56,779,947)</td>
</tr>
<tr>
<td>Transfers to the Convention Fund</td>
<td>$(3,000,000)</td>
</tr>
<tr>
<td>Transfers to the Health Fund</td>
<td>$(7,790,755)</td>
</tr>
<tr>
<td>Increase (decrease) for the three-year period</td>
<td>$(7,240,510)</td>
</tr>
</tbody>
</table>

**Benefit Fund**

The balance in the Benefit Fund as of July 1, 2010, was $27,754,774. The corresponding balance in the Fund on June 30, 2013, was $29,348,779, representing an increase to the Fund for the three-year period of $1,594,005.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per capita tax and fees allocated to the Fund for the three-year period</td>
<td>$5,943,089</td>
</tr>
<tr>
<td>Expenses of the Fund for the three-year period</td>
<td>$(4,349,084)</td>
</tr>
<tr>
<td>Increase (decrease) for the three-year period</td>
<td>$1,594,005</td>
</tr>
</tbody>
</table>

**Defense Fund**

The balance in the Defense Fund as of July 1, 2010, was $29,618,964. The corresponding balance in the Fund on June 30, 2013, was $27,439,145, representing a decrease to the Fund for the three-year period of $2,179,819.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per capita tax, fees, and investment earnings, etc.</td>
<td>$13,366,777</td>
</tr>
<tr>
<td>Expenses of the Fund for the three-year period</td>
<td>$(15,546,596)</td>
</tr>
<tr>
<td>Increase (decrease) for the three-year period</td>
<td>$(2,179,819)</td>
</tr>
</tbody>
</table>
Bonding & Indemnity Fund

Bonding was provided for the officers and employees of our local unions under blanket positions bonds issued by the Fidelity and Deposit Company of Maryland. Premiums for the bonds were paid on a three-year basis from the Bonding & Indemnity Fund of the Union. These payments were refunded to the Bonding & Indemnity Fund by annual payments for bond coverage made by the local unions to the Fund.

The balance in the Bonding & Indemnity Fund as of July 1, 2010, was $177,017. The corresponding balance in the Fund as of June 30, 2013, was $170,309, representing an decrease to the Fund for the three-year period of $6,708.

Building Fund

The balance in the Building Fund as of July 1, 2010, was $2,100,201. Depreciation expense in the amount of $746,544 was incurred by the Fund during the three-year period, resulting in a balance in the Fund as of June 30, 2013, of $1,353,657.

Convention Fund

The balance in the Convention Fund as of July 1, 2010, was $2,195,752. The corresponding balance in the Fund on June 30, 2013, was $2,502,314, representing an increase to the Fund for the three-year period of $306,562.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration fees</td>
<td>$ 295,765</td>
</tr>
<tr>
<td>Expenses of the Fund for the three-year period</td>
<td>(2,989,203)</td>
</tr>
<tr>
<td>Transfers from the General Fund</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Increase (decrease) for the three-year period</td>
<td>$ 306,562</td>
</tr>
</tbody>
</table>

Health Fund

The balance in the Health Fund as of July 1, 2010, was $10,000,000. The corresponding balance in the Fund on June 30, 2013, was $10,000,000, representing no change to the Fund for the three-year period.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment earnings (losses) allocated to the Fund for the three-year period</td>
<td>$ 1,062,498</td>
</tr>
<tr>
<td>Expenses of the Fund for the three-year period</td>
<td>(8,853,253)</td>
</tr>
<tr>
<td>Transfers from the General Fund</td>
<td>7,790,755</td>
</tr>
<tr>
<td>Increase (decrease) for the three-year period</td>
<td>$ 0</td>
</tr>
</tbody>
</table>
Organizing and Activism Fund

The balance in the Organizing Fund as of July 1, 2010, was $1,175,963. The corresponding balance in the Fund on June 30, 2013, was $1,492,341, representing an increase to the Fund for the three-year period of $316,378.

Per capita tax and fees allocated to the Fund for the three-year period $ 2,940,483
Expenses of the Fund for the three-year period (2,624,105)
Increase (decrease) for the three-year period $ 316,378

Members' Equity

On July 1, 2010, total Members' Equity was $105,511,764. The corresponding Members' Equity on June 30, 2013, was $97,555,128, representing a decrease in Members' Equity of $7,956,636, for the three-year period.

Income for the three-year period $ 84,197,755
Expenses for the three-year period (92,154,391)
Increase (decrease) for the three-year period $ (7,956,636)

Breakdown of Member's Equity Funds

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>25,248,583</td>
</tr>
<tr>
<td>Benefit Fund</td>
<td>29,348,779</td>
</tr>
<tr>
<td>Defense Fund</td>
<td>27,439,145</td>
</tr>
<tr>
<td>Bonding &amp; Indemnity Fund</td>
<td>170,309</td>
</tr>
<tr>
<td>Building Fund</td>
<td>1,353,657</td>
</tr>
<tr>
<td>Convention Fund</td>
<td>2,502,314</td>
</tr>
<tr>
<td>Health Fund</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Organizing Fund</td>
<td>1,492,341</td>
</tr>
<tr>
<td>TOTAL MEMBERS' EQUITY</td>
<td>$ 97,555,128</td>
</tr>
</tbody>
</table>
CONCLUSION

During the past three years, ATU has been able to hire new staff without significantly increasing our overall expenses by using the savings accrued through various economies to pay new personnel. In other words, we have been able to generate a “bigger bang” for our members’ buck than we have in previous years.

Economies such as installing more efficient lighting at international headquarters and switching to less expensive union printers have helped us move forward with a lot of projects that we wouldn’t have been able to pursue otherwise.

Most significant of these were the alterations made to our retiree pension plan that has ended a drain of millions of dollars each year from our general fund.

Throughout these international reports you will read accounts of the ambitious new projects undertaken during the just-completed convention cycle. All of these new initiatives have led to a wider knowledge of ATU, its activities, and its goals in the United States and Canada, as well as success in national, provincial, state, and local politics.

I am particularly pleased that during this cycle we could use our COPE program to achieve such positive results in the 2012 U.S. presidential and congressional elections. Not only did we play an integral part in re-electing President Obama, but we performed a crucial role in electing pro-transit and pro-labor candidates to the U.S. Senate and House of Representatives.

This office has been particularly aggressive in investigating and bringing to justice those local officers who have abandoned or abused their fiduciary responsibilities. This has been a painful reminder to me that even among our brothers and sisters, we must be vigilant in making sure that our members’ dues money is accounted for in a responsible manner.

Nevertheless, my spirits are buoyed by the vast majority of our local officers who are very conscientious in discharging their duties, doing their work, often without compensation, only for the satisfaction of serving their members well.

Realizing that our local presidents and financial secretaries needed a fuller understanding of each other’s work, we have joined the new local presidents’ and financial secretaries’ trainings into one seminar that has met with great success.

Now both officers from a local receive instruction in bookkeeping, monthly membership reporting, feepayer reporting, payroll and other tax considerations as well as the importance of proper internal control procedures. The goal here is to make sure that these officers can work as a team at the local level.

I am delighted with all that has been accomplished during this convention cycle under the leadership of International President Larry Hanley. I also want to thank our international vice presidents and representatives who have given countless hours over to the success of this enterprise in their travels around the country.

I would be remiss if I did not thank all of our local financial secretaries who are truly the unsung heroes of this Union, without whom none of our local unions could continue to operate.

I am proud, again, to commend the hard work of the international staff, who go above and beyond the call of duty daily in their dedication to our mission.

At this time, and in accordance with the provisions of the ATU Constitution and General Laws, I submit this report and attest that it is a true and accurate record of the financial condition of this International Union and the work of the International Secretary-Treasurer for the three-year period ended June 30, 2013.

In solidarity,

Oscar Owens
International Secretary-Treasurer

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Officers and Delegates:

The General Executive Board of this Union herewith submits to this Fifty-Seventh Convention a report of its acts, rulings, and decisions within the term dating from July 1, 2010, through June 30, 2013 with additional set of minutes from a meeting ending July 30, 2013.

The fieldwork of the individual General Executive Board members, which is under the direction of the international president, is outlined separately in his report. This report contains a summary of the acts and rulings of the General Executive Board itself, covering such subjects as required action and direction of the Board.

Within the 36-month term herein reported, the General Executive Board held six regular meetings, three special meetings, and one teleconference meeting. The first meeting took place September 20 – 24, 2010, in Lake Buena Vista, FL. It was followed by a special transitional meeting held December 13 – 15, 2010, in Washington, DC; a regular meeting held May 2 – 6, 2011, in Ottawa, ON; a special meeting held July 15 – 18, 2011, in Chevy Chase, MD; a regular meeting held October 17 – 21, 2011, in Carlsbad, CA; a special teleconference meeting held February 14, 2012; a regular meeting held March 6 – 10, 2012, at National Harbor, MD; a regular meeting held December 3 – 7, 2012, in Pittsburgh, PA; a regular meeting held May 6 – 10, 2013, in Atlanta, GA; and a special meeting held July 29 – 30, 2013, in Chevy Chase, MD.

Audits

As required by the Constitution and General Laws, the General Executive Board employed certified public accountants to audit the books and accounts of the Union for the semiannual meetings of the General Executive Board. These reports and the books and accounts of the General Offices were reviewed and inspected. These audits and the Union accounts are available to the International Secretary-Treasurer’s Report Committee of this Convention.
FIRST SESSION

The meeting convened at 9:00 a.m. on Monday, September 20, 2010. General Executive Board members present were Joseph Welch, Rodney Richmond, Robert Baker, Larry Kinnear, Javier Perez, Jr., Richard Murphy, Bob Hykaway, Charles Cook, William McLean, Janis Borchardt, Paul Bowen, Lawrence Hanley, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, and Gary Johnson, Sr. International President Ron Heintzman presided.

Also in attendance were International Executive Vice President Randy Graham, International Secretary-Treasurer Oscar Owens, Chief of Staff Benetta Mansfield, General Counsel Aaron Hilligas, and Executive Assistant to the International President Beth Petrusic.

AUDIT COMMITTEE APPOINTED

Appointed to the Audit Committee were International Vice Presidents McLean, Borchardt, and Bowen. International Vice President McLean was designated as chair.

STRIKE SANCTIONS APPROVED

Upon the request of International Vice President Murphy, the Board granted strike sanction to the members of Local 1547 (Brockton, MA), employed by the Brockton Area Transit Authority.

Upon the request of International Vice President Kinnear, the Board granted strike sanction to the members of Local 966 (Thunder Bay, ON), employed by Thunder Bay Transit.

Upon the request of International Vice President Hanley, the Board granted strike sanction to the members of Local 1317 (Clifton, NJ), employed by DeCamp Bus Lines.

REPORT OF THE INTERNATIONAL secretary-TREASURER ON MS RESEARCH FUNDS

It was reported that the 25th annual golf tournament for the benefit of multiple sclerosis research is scheduled for October 24-25, 2010, at Worthington Manor Golf Club in Urbana, MD. The announcement for this fundraiser is being designed, and the invitee list has been generated in anticipation of a full compliment of golfers.

During this period, Les Moore, longstanding financial secretary of Local 113 (Toronto, ON), and ardent supporter of ATU MS Research Funds, retired. Brother Moore's leadership efforts with fund-raising events including the Old Timers Hockey League, raised tens of thousands of dollars for MS research every year. His efforts are unprecedented, and his legacy will be long remembered as an example to those who follow him.

Financial Statements for the period of January 1, 2010, through June 30, 2010, for both the U.S. and Canadian MS Research Funds follow.

The U.S. fund had, as of January 1, 2010, available cash of $2,445.91. The collections during the six-month period ended June 30, 2010, amounted to $5,821.69. These receipts were as follows: General Contributions: $4,078.69, Local Union Contributions: $643.00, and Golf Tournament Receipts: $1,100.00.

During the same six-month period, the fund paid no expenses, which created an available cash balance for charitable purposes and for future operations of $8,267.60.

The Canadian fund had available cash, as of January 1, 2010, of $1,664.47. The collections for the six-month period ended June 30, 2010, totaled $1,109.57. These receipts consisted of General Contributions of $4,078.69, Local Union Contributions: $643.00, and Golf Tournament Receipts: $1,100.00.

During the period, the fund incurred miscellaneous administrative expenses of $41.44. As a result, the fund...
had $2,732.60 available for contribution and future operations.

Financial statements for the United States and Canada for the six months ended June 30, 2010, were provided to the General Executive Board.

TRUSTEESHIPS

Report on Local 282 (Rochester, NY) Trusteeship

International Vice President Rauen offered an accounting of the International Union’s stewardship of Local 282 (Rochester, NY), which was first undertaken in January 2010. The Board was advised that considerable progress continues to be made to assist the local union in ultimately regaining its autonomy.

Report on Local 1754 (Lawrence, KS) Trusteeship

International Vice President Perez reported on the status of the trusteeship of Local 1754 (Lawrence, KS) first instituted in April 2009. The Board was informed that progress is continuing to be made in the administration of the local union’s affairs. An initiative has been undertaken to develop and effectuate appropriate bylaw amendments and to otherwise assist the local union in ultimately regaining its autonomy.

REQUESTS FOR FINANCIAL ASSISTANCE

Local 1395 (Pensacola, FL)

Michael Lowery, president/business agent of Local 1395 (Pensacola, FL), requested financial assistance as a result of the local’s incurred costs related to a ruling made by the Florida Public Employee Relations Commission (PERC) against Local 1395 determining that it was the responsibility of the local union to pay the legal fees incurred by the county commissioners in Escambia County for its unsuccessful defense of an unfair labor practice pursued by the union.

As a result of that Florida PERC decision, Local 1395 owes attorney fees of approximately $29,000. Local 1395 states that it does not have the monies in its treasury to meet this expense due to the expenses spent fighting a recent decertification attempt.

The General Executive Board, after careful review and consideration of the facts, voted to authorize providing financial assistance to Local 1395 in the form of a six-month per capita tax waiver.

Local 1005 (Minneapolis/St. Paul, MN)

Michelle Sommers, president/business agent of Local 1005 (Minneapolis/St. Paul, MN), requested financial assistance due to the significant costs incurred by the local union in its contract dispute with the Met Council over work that was previously performed by ATU members but then reassigned to employees represented by AFSCME – a situation the International was initially made aware of in January 2007.

Through protracted litigation, Local 1005 was ultimately successful in its effort to retain these employees in their ATU bargaining unit, thereby preserving the local’s bargaining unit work. It was reported by Local 1005 that it incurred expenditures totaling approximately $130,000 in litigating this matter.

The General Executive Board, after careful review and consideration of the facts, voted to authorize providing financial assistance to Local 1005 in the form of a three-month per capita tax waiver.

Local 1591 (Broward County, FL)

Christine Jones, president/business agent of Local 1591 (Broward County, FL), requested financial assistance due to the local’s financial difficulties arising from the effects of five-day furloughs and lost time expenses incurred related to contract negotiations.

The General Executive Board, after careful review and consideration of the facts, voted to authorize providing financial assistance to Local 1591 in the form of a three-month waiver of per capita tax.

Local 1499 (Muncie, IN)

International Vice President Javier Perez brought forth a motion stating that, upon review of the financial records of Local 1499 (Muncie, IN), the executive officers be vested with the authority to provide appropriate financial assistance to the local union to assist with its arbitration related costs.
The Board then engaged in a general discussion about the sizable arbitration and legal costs incurred by Local 1499 for the purpose of contesting the actions of Muncie Indiana Transit System. Upon a duly seconded motion, the General Executive Board voted to approve the motion.

**GENERAL DISCUSSIONS**

The remainder of the session was devoted to discussions among the board members of current issues. The meeting adjourned at 4:00 p.m. to reconvene Tuesday, September 21, 2010, at 9:00 a.m.

**SECOND SESSION**

The meeting convened at 9:00 a.m. on Tuesday, September 21, 2010. General Executive Board members present were Joseph Welch, Rodney Richmond, Robert Baker, Larry Kinnear, Javier Perez, Jr., Richard Murphy, Bob Hykaway, Charles Cook, William McLean, Janis Borchardt, Paul Bowen, Lawrence Hanley, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, and Gary Johnson. International President Ron Heintzman presided.

Also in attendance were International Executive Vice President Randy Graham, International Secretary-Treasurer Oscar Owens, Chief of Staff Benetta Mansfield, General Counsel Aaron Hilligas, and Executive Assistant to the International President Beth Petrusic.

**APPEALS TO THE GENERAL EXECUTIVE BOARD**

**Appeal No. 1: Denise Callens**  
Local 689 (Washington, DC)

There came before the General Executive Board a filing of Local 689 member Denise Callens that contested a February 17, 2010, decision of International President George denying Sister Callens regarding the decision of the local membership not to authorize her March 3, 2009, grievance for advancement to arbitration.

Sister Callens made a personal appearance and provided a detailed summary of the grievance underlying her appeal. Upon a thorough deliberation of all the facts and evidence in this case, the General Executive Board voted to uphold the decision of the international president.

**Appeal No. 2: Mack Terrell**  
Local 713 (Memphis, TN)

There came before the General Executive Board a filing of Local 713 Member Mack Terrell which contested the January 26, 2010, decision of International President George denying Brother Terrell’s appeal from a decision of the Local 713 membership not to proceed to trial on charges brought against Local 713 Financial Secretary/Business Agent Larry Miller.

Upon a thorough deliberation of all the facts and evidence in the case, the General Executive Board voted to uphold the decision of the international president.

**Appeal No. 3: Bernard Womack**  
Local 689 (Washington, DC)

There came before the General Executive Board a filing of Local 689 Member Bernard Womack which contested the May 26, 2010, decision of International President George regarding Brother Womack’s appeal from a decision of Local 689 to decline all of his challenges regarding the local’s December 2009 election of officers.

Brother Womack made a personal appearance along with witnesses before the General Executive Board and provided a detailed summary of the issues underlying his appeal. Upon a thorough deliberation of all the facts and evidence in this case, the General Executive Board voted to uphold the decision of the international president.

**REPORT OF THE INTERNATIONAL SECRETARY-TREASURER APPROVED**

Upon a motion duly made and seconded, the Report of the International Secretary-Treasurer for the six-month period ended June 30, 2010, was approved.

**GENERAL DISCUSSIONS**

The remainder of the session was devoted to discussions among the board members of current issues. The meeting adjourned at 4:00 p.m. to reconvene Wednesday, September 22, 2010, at 9:00 a.m.
THIRD SESSION

The meeting convened at 9:00 a.m. on Wednesday, September 22, 2010. General Executive Board members present were Joseph Welch, Rodney Richmond, Robert Baker, Larry Kinney, Javier Perez, Jr., Richard Murphy, Bob Hykaway, Charles Cook, William McLean, Janis Borchardt, Paul Bowen, Lawrence Hanley, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, and Gary Johnson. International President Ron Heintzman presided.

Also in attendance were International Executive Vice President Randy Graham, International Secretary-Treasurer Oscar Owens, Chief of Staff Benetta Mansfield, General Counsel Aaron Hilligas, and Executive Assistant to the International President Beth Petrusic.

INTEREST ARBITRATION GRANTED TO LOCAL 256 (SACRAMENTO, CA)

Upon motion made by International Vice President Chuck Cook and duly seconded, pursuant to Section 19.2 of the International Constitution and General Laws, Local 256 was authorized to enter into interest arbitration with Sacramento Regional Transit.

REPORT OF THE INTERNATIONAL SECRETARY-TREASURER ON ATU-COPE

ATU-COPE (Financial)

The Amalgamated Transit Union Committee on Political Education (ATU-COPE) program collects voluntary contributions from ATU members for the purposes of making contributions to and expenditures for candidates for federal, state and local offices and addressing federal, state and local political issues.

In addition to the Voluntary Account, ATU-COPE maintains the Special Holdings Account for contributions to state and local candidates and also maintains separate accounts in Florida, Maryland, Massachusetts, Missouri, New York, Virginia and Wisconsin, as required by those states’ laws.

A complete financial report has been provided in a separate report. However, the highlights of the contributions paid from the various funds (combined) for the six-month period ending June 30, 2010, are as follows:

**Federal**
- Senatorial Campaigns $28,000.00
- Congressional Campaigns $233,700.00
- Other $33,000.00

**State**
- Senatorial Campaigns $2,000.00
- Representative Campaigns $5,700.00
- Other $33,408.00

**Local**
- Mayoral Campaigns $1,000.00
- Councilperson Campaigns $500.00
- Other $4,300.00


REPORT OF THE INTERNATIONAL SECRETARY-TREASURER ON THE ATU SCHOLARSHIP PROGRAM

The selection process for the Amalgamated Transit Union 2010 scholarship competition named in memory of Bruce Foster, retired international vice president, was completed during this period by the scholarship selection committee. The committee was chaired by James Kennedy, Jr., consultant, Union Labor Life Insurance Company. Committee members consisted of John W. Harrison, III, president of Eberts & Harrison; and Cynthia Watson of Watson Labour Lawyers.

A total of 82 applications met all of the program’s requirements. These were reduced to 15 finalists and one vocational finalist.

The committee complimented the applicants for their interesting biographical statements and essays. Checks for $5,000 were sent to the schools of five academic awardees as well as a $2,000 check for our vocational scholarship winner.

GENERAL DISCUSSIONS

The remainder of the session was devoted to discussions among the board members of current issues. The meeting adjourned at 4:00 p.m. to reconvene Thursday, September 23, 2010, at 9:00 a.m.
FOURTH SESSION

The meeting convened at 9:00 a.m. on Thursday, September 23, 2010. General Executive Board members present were Joseph Welch, Rodney Richmond, Robert Baker, Larry Kinnear, Javier Perez, Jr., Richard Murphy, Bob Hykaway, Charles Cook, William McLean, Janis Borchardt, Paul Bowen, Lawrence Hanley, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, and Gary Johnson. International President Ron Heintzman presided.

Also in attendance were International Executive Vice President Randy Graham, International Secretary-Treasurer Oscar Owens, Chief of Staff Benetta Mansfield, General Counsel Aaron Hilligas, and Executive Assistant to the International President Beth Petrusic.

Also in attendance were International Representatives Anthony Withington, Dennis Antonellis, Karen Miller, Mike Mahar, and Canadian Council Director Robin West.

REPORT OF THE GENERAL COUNSEL

During the reporting period of January 1, 2010, through June 30, 2010, the Legal Department continued to provide counsel and representation to the International Union and ATU locals in connection with a wide range of issues.

It was reported that the Legal Department again devoted considerable resources to the Section 13(c) processing of U.S. transit grants and assisted local unions and outside counsel in the ongoing administration, interpretation and enforcement of employee protections applied to federal funding assistance to public transportation services.

The Department also handled a number of other litigation matters in which the International or its local unions were involved before the courts and administrative agencies. It was reported that we continued to see success in our legal action to enforce a subcontracting arbitration award against the Boise, ID, transit system, but were frustrated by the legal posturing of the City of Colorado Springs, CO, as it brought its wide-ranging attack on the Section 13(c) program to a federal court of appeals.

Throughout the reporting period, the Legal Department otherwise responded to a multitude of inquiries concerning issues implicating the National Labor Relations Act, the Family and Medical Leave Act, the Fair Labor Standards Act, pension and 401(k) retirement plan rights, drug and alcohol testing requirements, and other federal, state and provincial labor law matters.

The availability of economic “stimulus” funding pursuant to the American Recovery and Reinvestment Act (ARRA) continued to impact the Legal Department’s workload in this area. Signed into law earlier in 2009, the ARRA authorized millions of additional federal dollars for struggling transit agencies across the United States. Over the course of these six months, we reviewed approximately 120 ARRA grant applications in addition to the hundreds of grant requests more traditionally processed.

On behalf of approximately 178 individual local unions and the New Jersey Council, the Legal Department reviewed an impressive total of some 483 applications in the first half of 2010. Of those, 294 were full applications for federal transit assistance, while the remaining 189 matters came in the form of grant amendments.

Almost a dozen of the funding requests were filed in applications for statewide grants awarded under the Section 5311 funding program for rural and small, urbanized area providers. As such, they were presented on behalf of multiple transit providers and implicated a variety of potentially distinct employee protective considerations.

During these six months a total of 41 new first-time protective arrangements were implemented in connection with 35 grant applications. While some new sets of protections were necessitated because the grant applicant and/or sub-recipient had never before received federal funding – and therefore no previously-certified Section 13(c) terms were available – or to extend protective coverage over recently-organized bargaining units, most of the arrangements were put in place simply to replace an operating and/or capital arrangement previously imposed by the Department of Labor but now determined, through the agency’s new regulations, to no longer be appropriate.

Freshly implemented Section 13(c) protections included application of the new “Unified Protective Arrangement” (UPA) formulated by the Department of Labor to govern operating assistance awarded under the formula funding program, and where applicants for federal assistance sought to offset expenses of various capital projects falling under the formula grant program, such as the purchase of buses, passenger
shelters, and other maintenance items. In total, protective arrangements arising under the formula funding led to utilization of the UPA as a Section 13(c) certification basis in 33 instances.

Over these six months, the Legal Department reviewed some 38 grant applications seeking JARC assistance. Five of those implicated adoption of the new UPA for the benefit of a total of six recipients.

The last set of new Section 13(c) protections developed in this reporting period arose in cases where the applicant sought federal funding under the *American Recovery and Reinvestment Act*. The ARRA grants accounted for about 25% of the funding matters reviewed by the Legal Department during these months.

They also resulted in a little less than half a percentage of the new protections put into place over this period. Those two arrangements are identified as follows: between the City of Stamford, CT, and Locals 281 (New Haven, CT), 425 (Hartford, CT), and 443 (Stamford, CT); and the Michiana Area Council of Governments and Local 996 (South Bend, IN).

Throughout these six months and in previous reporting periods, we filed a series of objections to the Department of Labor’s UPA and petitioned for various modifications to those standardized terms. While the DOL continues to claim several of our stated objections are insufficient to compel any further proceedings between the involved parties, the agency instituted several changes to its certification language that effectively acknowledged the validity of our concerns.

During this reporting period, we further challenged the apparent specification in the UPA limiting an employee affected as a result of the project to filing a 13(c) claim only through his or her union representative. This issue remained pending at the close of this period.

### Section 13(c) Claim Activities

We invoked the employee protections afforded to Local 19 (Colorado Springs, CO) by attacking one rather inexplicable employee termination that resulted from the company’s new corporate-wide emphasis on criminal background checks. At the beginning of this reporting period, a mutually acceptable resolution of our Section 13(c) claim on behalf of the worker in question was successfully accomplished.

Acting on behalf of Local 1560 (New Orleans, LA), we initiated a Section 13(c) claim seeking satisfaction of full “contractor-to-contractor” rights upon the transition to a new employing entity on the Regional Transit Authority’s (RTA) bus and light rail system.

After efforts of our retained counsel to confront RTA representatives directly about the compelling need for complete and proper satisfaction of the Section 13(c) arrangements attached to its federal funding, it appeared settlement of these issues were likely forthcoming at the end of this reporting period.

In yet another Section 13(c) claim, the Legal Department assisted in addressing a dispute over a “status quo” provision which was first imposed more than two decades ago, over our objections, as part of a fact-finding procedure said to replace the interest arbitration clause originally negotiated in the employee protective arrangements between Local 382 (Salt Lake City, UT) and the Utah Transit Authority (UTA).

When the parties’ most recent labor contract expired, the transit authority unilaterally implemented modifications in employment terms, asserting that an impasse had been reached in negotiations and that the status quo language approved by the secretary of labor was of no effect if fact-finding had not yet been invoked.

Shortly after lodging our formal claim in this matter, the filing of a grant application by the UTA afforded us an opportunity to suggest that the Department of Labor adopt clarifying language to swiftly address the purported issue. The agency simply declined to act, however, on the asserted basis that we were already in the midst of a Section 13(c) arbitration.

Following that avoidance on the part of the secretary, we demanded third-party arbitration of this dispute. While pending the arbitration of the 13(c) disputes, the UTA, in a further attempt to side-step its good faith bargaining obligation, filed a complaint in Utah State Court, seeking declaratory judgment that the parties reached impasse in their bargaining, and therefore, the UTA had the right to modify the terms and conditions of employment.

It remained the local’s contention, however, that the parties were not at impasse and that this precise issue should be submitted to arbitration and consolidated with the other ongoing issues. Consequently, acting through outside counsel, the local filed a motion to compel arbitration pursuant to the Section 13(c) arrangement and oral arguments were scheduled by the judge to consider the parties’ respective motions.
The Board was also briefed on the Section 13(c) issues raised by an arrangement between Chatham Area Transit (CAT) and Veolia, effective January 1, 2009, especially with respect to the re-organization of the paratransit operation. More specifically, Veolia failed to recognize and honor the 13(c) protections afforded to those employees of CAT’s former contractor, First Transit.

Local 1324 (Savannah, GA) therefore filed a Section 13(c) claim in early 2010, alleging that CAT and Veolia reduced the terms and conditions of employment negotiated between the local and Veolia’s predecessor and consequently, reduced the overall compensation of all paratransit drivers, including pay, health and welfare, hours and work assignments, pensions and others benefits of employment.

A panel of arbitrators was selected and the local now awaits arbitration, which is scheduled for the end of August 2010. Currently, the local, through its retained counsel is in the midst of the negotiating with the public body and Veolia in connection with the rearrangement of the working forces of the fixed route service, with the hope of reaching an implementation agreement avoiding further disputes.

Litigation

The Board was updated on the continuing state court actions on behalf of Local 19 (Colorado Springs, CO) against the City of Colorado Springs, CO related to the supposed constitutional issue of interest arbitration with a private sector employer providing services for a public transit system.

In other matters, our lawsuit on behalf of Local 398 (Boise, ID) seeking satisfaction of an arbitration award finding the Boise, ID transit system in violation of subcontracting language in the parties’ labor contract remained pending throughout this period. At the end of this period, the local was simultaneously exploring settlement of the lawsuit while moving forward with the previously agreed upon briefing schedule before the arbitrator.

A collective bargaining impasse between Local 1064 (Terre Haute, IN) and the City of Terre Haute, IN prompted additional litigation over interest arbitration rights during this period. Unable to reach an agreement in wage re-opener talks, the local union sought to have the parties’ labor dispute resolved by a neutral party, but the employer responded by seeking a state court order that interest arbitration was not available under the current labor contract. Our expressed position was validated by a judicial order to affirmatively compel arbitration.

Our previously-reported assumption of principal responsibility for the litigation contesting a Massachusetts state statute which abolished the health care plan for Massachusetts Bay Transportation Authority (MBTA) employees and amended the terms of the transit system’s retirement plan continued during this period.

The Union challenge alleges that the law violates constitutional protections of earned pension rights, and by effectively precluding bargaining over the subjects addressed, contravenes applicable Section 13(c) obligations of the transit authority.

It was reported that after failed attempts to negotiate a new successor collective bargaining agreement between Local 192 (Oakland, CA) and Alameda-Contra Costa Transit District (AC Transit), and in light of the District’s prior stated refusal to continue bargaining with the local union after June 30, 2010, the local requested interest arbitration pursuant to the applicable Section 13(c) agreement.

The district, however, refused the local’s request, stating that the local’s only recourse to resolve the bargaining dispute was to strike. The union filed a petition to compel arbitration and requested the court expedite the hearing on the matter.

At the conclusion of this reporting period a decision by the state court judge on the issue of whether AC Transit is bound to participate in interest arbitration proceedings.

The International also came to the support of Local 1624 (Peterborough, ON) in what ultimately evolved into a convoluted series of disputes involving Local 1624, Trentway Wågar, and a union in Montreal, QC – the Syndicat des travailleuses et travailleurs de Coach Canada – CSN (the “Syndicat”).

In July 2009, Local 1624 – the certified bargaining agent for “all employees of Trentway Wågar employed as coach drivers and airport operator drivers, excluding dispatchers, and those above the rank of dispatcher, office and clerical staff” – discovered that the syndicat had applied to the Canada Industrial Relations Board (“CIRB”) to be certified as the bargaining agent for a group of Trentway Wågar employees in Montreal.

Local 1624 wrote to the CIRB and took the position that the employees in question fell within the scope of
its bargaining unit and requested intervener status in the syndicat’s application for certification.

The CIRB granted Local 1624’s request for intervener status, but subsequently granted the certification to the syndicat in October 2009. Through outside counsel, we appealed the CIRB decision to the Federal Court of Appeal, which held a hearing on the matter in May 2010. The court, however, refused to overrule the CIRB’s decision and held that it was not unreasonable under the understood circumstances.

In June 2010, the CIRB held a hearing to determine the common employer and sale of business applications. Final arguments on these issues are expected to be heard within a few months after the close of this reporting period.

As previously reported, acting on behalf of ATU-represented employees of First Transit and First Student throughout the United States, we initiated an aggressive legal assault contesting each company’s violation of the due process safeguards of the Fair Credit Reporting Act by undertaking and acting upon nationwide criminal background checks of its employees.

An additional, broader aim of this effort was to impress upon First Group’s British executives that the rights of those in ATU-represented bargaining units must be honored. At the close of the three-year reporting period, our retained litigation counsel was pursuing discovery and other pre-trial proceedings.

The International Union was also compelled to defend itself in a federal court action brought by a member of Local 282 (Rochester, NY) under Title VII of the Civil Rights Act of 1964. Asserting he was the victim of racial discrimination at the workplace, the plaintiff’s suit maintained that the union had breached its fair representation obligations in connection with various work-related grievances he lodged.

In challenging the allegations, we argued that no legal action could properly be brought against the International Union, which had no involvement whatsoever in any of the underlying facts, because it never served as the plaintiff’s exclusive collective bargaining agent. At the conclusion of this reporting period, we were awaiting the court’s consideration of our motion to dismiss the complaint.

As previously reported, in acting on behalf of the ATU National 401(k) Pension Plan, we attempted to recover assets owed to the Plan by Edenfield Stages, Inc., on behalf of its former employees represented by Local 1738 (Latrobe, PA). In light of the potential liability as a successor, the Transit Authority agreed to remit nearly all monies owed to the Plan on behalf of the affected employees.

During this six-month period, we were compelled to intervene in a lawsuit brought by a consortium of bus companies against the New York City Department of Education (DOE) for what the bus companies claimed were anti-competitive practices regarding the DOE’s solicitation of contracts. The bus companies sought to remove from the bidding requirements for contracts certain employee protection provisions that would ensure basic employment standards.

Among the employee protections sought to be abolished were provisions such as requiring contractors who needed new employees to rehire employees laid off by competitors and the maintenance of welfare and pension contributions.

We argued that the employee protection provisions served to ensure labor peace and contractual performance, ensured the use of skilled and experienced workers, and provided standard wages, benefits and job security, all of which enhanced the operations of the employers.

Unfortunately, the New York Supreme Court held that the employee protection provisions failed to demonstrate a link to the public interest promoted by the state’s competitive bidding statutes for contracts. The Court stated that the employee protection provisions served to inflate the bids on contracts for school transportation services and had an anti-competitive impact on the bidding process and were therefore contrary to public policy.

We obviously disagreed with the court’s ruling and supported Local 1181’s efforts to have the case reviewed by the New York State Court of Appeals on the basis that the New York Supreme Court’s justifications for striking the employee protection provisions were without merit and contradicted prior case law.

Although at the end of this six-month reporting period we were still waiting for a ruling on our Motion for Leave to Appeal to the Court of Appeals, we are hopeful of the opportunity to further state the case in favor of the employee protection provisions.

Through outside counsel, we were compelled to contest the improper inclusion of the International Union in a case brought by a former Local 689 member who was terminated from employment for failing to
disclose information about a prior criminal conviction when applying for a position with the Washington Metropolitan Area Transit Authority (WMATA).

Based on the unsubstantiated basis for including the International in the case, we filed a motion with the court to dismiss the matter. A final ruling in this matter was pending at the conclusion of this reporting period.

As has been reported previously, we provided legal representation to Local 1576 (Lynwood, WA) in connection with the National Labor Relations Board’s deferral of unfair labor practice charges which contested the unilateral implementation of a “national” handbook at two First Transit bargaining units represented by the local.

When the union became aware of the rule changes, it demanded the opportunity to bargain over such, but the company simply proceeded to distribute the new handbook. Because questions of contract interpretation were not necessarily implicated by the changes and recognizing that the policies were being implemented nationwide as part of an apparent pattern of enmity toward employees’ exercise of protected rights, we retained counsel to appeal a decision of the NLRB regional office to defer consideration of the underlying charges pending arbitration between the parties.

Unfortunately, by a single page letter, the NLRB general counsel upheld the deferral of the unfair labor practice charges to the applicable grievance-arbitration procedure.

During this reporting period, we have continued providing assistance to Local 685 (Brantford, ON) related to prior efforts in the reinstatement of a key union supporter in the organizing drive that the local successfully pursued among employees of Operation Lift, Inc.

In an unfair labor practice complaint filed through retained counsel contemporaneous with the union’s application for certification, we strenuously challenged the pretextual termination of the dispatcher, which we asserted to be a product of her vocal advocacy for AFU representation, and otherwise contested various employer actions aimed at intimidating prospective union members.

It was only a matter of days before the company agreed to reinstate the discharged worker with full backpay and to otherwise post a notice in the days immediately preceding the scheduled representation vote, which affirmed the legal rights of employees during an organizing drive.

Although we were successful in having her reinstated to employment, the harassment and bullying by the employer continued. Even after securing a collective agreement in January 2009, the employer refused to recognize or adhere to that agreement and continued its harassing and demeaning behavior toward the organizer/steward.

We have therefore sought, among other relief, a declaration from the Ontario Labour Relations Board (OLRB) that the employer has breached the Ontario Labour Relations Act (OLRA) and an order requiring that the employer cease and desist from any further breaches of the Act.

As of the close of these six months, we were still awaiting action by the OLRB on the unfair labor practices charges brought against Operation Lift.

**TRUSTEESHIPS**

At the beginning of these six months, two local unions were under the stewardship of the International. The previously reported trusteeships in place at the opening of this period involved Local 770 (Mobile, AL), which was initially placed in trusteeship on June 11, 2008, and Local 1754 (Lawrence, KS), whose stewardship commenced on April 16, 2009.

The trusteeship of Local 770 came to a successful conclusion during this reporting period with a restoration of the local union’s representative functions and a full compliment of duly elected local union officers assuming responsibility for the affairs of the local.

Upon a polling of its membership conducted pursuant to Section 12.6 of the Constitution and General Laws, the General Executive Board authorized the termination of the trusteeship of Local 770, effective April 1, 2010.

The previously reported trusteeship of Local 1754 that was prompted by the local union’s abdication of its responsibilities, on the other hand, remained in effect throughout this period.

Unfortunately, we were effectively compelled to assume jurisdiction over one additional local during this reporting period. Thus, acting upon authorization granted by the General Executive Board, Local 282 (Rochester, NY) was placed into immediate temporary trusteeship on January 22, 2010.

The imposed receivership resulted from several seeming problems severely impacting upon the effective administration and functioning of Local 282.
With assistance from the Legal Department, International Representative Anthony Withington conducted a February 17, 2010, hearing on this matter. Based on the information adduced into the record, he found that Local 282’s identified deficiencies justified the imposition of the trusteeship. Further, the appointed hearing officer determined that the stewardship should be continued in order to provide the appointed trustees, International Vice Presidents Gary Rauen and Joseph Welch, with a reasonable opportunity to remedy the witnessed deficiencies and ultimately resume the appropriate operation of Local 282.

Pursuant to the procedures set forth in Section 12.6 of the Constitution, on March 31, 2010, the General Executive Board adopted the hearing officer’s report as its Decision and Order in the matter of the trusteeship of Local 282.

Accordingly, at the conclusion of these six months two ATU locals remained under the stewardship of the International: Local 1754 (Lawrence, KS), and Local 282 (Rochester, NY).

ATU 401(k)/457 RETIREMENT PROGRAMS

Despite continued instability in the U.S. and global financial markets, during these six months ATU-sponsored retirement plans have sustained the historical trend of expanded participation. At the close of this period, there were a total of 135 employers across the United States enrolled in an ATU retirement plan, reflecting an increase of five additional employers, with the number of employees participating in ATU-sponsored plans totaling 5,049 participants.

In light of the aforementioned market volatility, there was a 1.5% reduction in the total amount of assets invested in ATU-sponsored retirement plans – which totaled slightly more than $64 million at the conclusion of the reporting period.

GENERAL DISCUSSIONS

The remainder of the session was devoted to discussions among the board members of current issues. The meeting adjourned at 4:00 p.m. to reconvene Friday, September 24, 2010, at 9:00 a.m.

FIFTH SESSION

The meeting convened at 9:00 a.m. on Friday, September 24, 2010. General Executive Board members present were Joseph Welch, Rodney Richmond, Robert Baker, Larry Kinnear, Javier Perez, Jr., Richard Murphy, Bob Hykaway, Charles Cook, William McLean, Janis Borchardt, Paul Bowen, Lawrence Hanley, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, and Gary Johnson, Sr. International President Ron Heintzman presided.

Also in attendance were International Executive Vice President Randy Graham, International Secretary-Treasurer Oscar Owens, Chief of Staff Benetta Mansfield, General Counsel Aaron Hilligas, Executive Assistant to the International President Beth Petrusic, International Representatives Anthony Withington, Dennis Antonellis, Karen Miller, Mike Mahar, and Canadian Council Director Robin West.

AUDIT COMMITTEE REPORT ADOPTED

Based on the Audit Committee’s review, they are satisfied that it is clean, that it balances, and that it is reasonable. All of the fund balances are in good shape. The committee found no problems and was satisfied with responses received. The formal report of the six-month period ended June 30, 2010, was thereupon approved as written.

INTERNATIONAL PRESIDENT’S REPORT ADOPTED

The Report of the International President for the six-month period ended June 30, 2010, was approved as printed.

MINUTES APPROVED

The minutes of the previous General Executive Board meeting were approved as written.

REPORT OF THE INTERNATIONAL EXECUTIVE VICE PRESIDENT

Organizing

Efforts to organize workers in transportation-related industries and other areas, as designated by
the General Executive Board pursuant to Section 1 of the International Constitution and General Laws, continued over the course of these six months. The progress of organizing slowed down during this period due, in part, to a number of decertifications and as a result of the economic downturn in the economy.

Nevertheless, a number of organizing campaigns took place during the period. In cooperation with the Strategic Campaigns Department, the Organizing Department worked to organize strategically and participated in weekly meetings.

The Organizing Department, under the direction and supervision of then International Executive Vice President Ron Heintzman, continued to lead and/or assist local union organizing efforts. During the six-month period, the International led or assisted in the successful organizing of over 685 transit, paratransit and school bus workers including over 300 school bus operators and attendants employed by Illinois Central School Bus into Local 1733 (Vernon Hills, IL); 325 school bus operators and matrons employed by GC School Bus into Local 1181 (New York, NY); 25 terminal workers employed by Greyhound Lines into Local 1415 (Toronto, ON); 20 mechanics employed by Stock School Bus into Local 1573 (Brampton, ON) and 15 paratransit operators employed by Veolia Transportation, Inc., into Local 1535 (Harahan, LA).

During and at the end of the period, hundreds of transit workers were actively organizing toward an NLRB representation election or recognition including 100 drivers at Supershuttle DFW being organized by Local 1338 (Dallas, TX), and 80 drivers employed by DFW Airport Shuttle also being organized by Local 1338; 150 drivers and monitors at Minnesota Central School Bus were being organized by Local 1005 ( Minneapolis/St. Paul, MN); and a residual unit of workers at the Chicago Transit Authority with approximately 600 employees was being organized by Local 241 (Chicago, IL).

### Campaigns Won During the Period

At the end of this period, the previously reported campaign led by Local 627 (Cincinnati, OH) to organize approximately 22 foremen and dispatchers at the Southwestern Ohio Regional Transit Authority remained pending, as did a campaign by Local 279 (Ottawa, ON) to organize approximately 500 school bus operators at Stock Transportation.

<table>
<thead>
<tr>
<th>Local/Location</th>
<th>Employer</th>
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<th>Type of Employees</th>
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<td>school bus operators; matrons</td>
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<tr>
<td>1415 (Toronto, ON)</td>
<td>Greyhound Lines, Inc.</td>
<td>25</td>
<td>terminal workers</td>
</tr>
<tr>
<td>1535 (Harahan, LA)</td>
<td>Veolia Transportation, Inc.</td>
<td>20</td>
<td>paratransit operators</td>
</tr>
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<td>IL Central School Bus-Southside</td>
<td>105</td>
<td>school bus operators; attendants</td>
</tr>
<tr>
<td>1733 (Vernon Hills, IL)</td>
<td>IL Central School Bus-Westside</td>
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<td>school bus operators; attendants</td>
</tr>
<tr>
<td>1733 (Vernon Hills, IL)</td>
<td>IL Central School Bus-Northside</td>
<td>95</td>
<td>school bus operators; attendants</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>671</strong></td>
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Decertification Campaigns

In early 2010, operators at Can-Ar Transit Services represented by Local 1587 (Toronto, ON) filed an application with the Canadian Industrial Relations Board (CIRB) to decertify from Local 1587. In an election conducted on April 14, 2010, the employees voted to decertify by a vote of 143 to 27. Shortly thereafter the CIRB issued an order decertifying the bargaining unit.

Raids

On November 16, 2009, a petition was filed for an election by the Citizen’s Area Transit Union (CAT Union) for the employees of Veolia Transportation who operate the CAT system in Las Vegas, NV, and are represented by Local 1637 (Las Vegas, NV). Shortly thereafter, Local 1637, through retained counsel, filed unfair labor practice “blocking charges.”

After an election of officers in Local 1637 in which the incumbents were defeated, the defeated president/business agent of Local 1637 immediately went to the NLRB and withdrew all of the “blocking charges,” and the NLRB proceeded to schedule an election.

At the end of the period, with the assistance of AFL-CIO President Richard Trumka, ATU was in discussions with Teamster General President James Hoffa to stop funding the CAT union’s attempts. (We were aware that IBT Local 631 was funding the CAT union and that their counsel was representing the CAT union.)

In February 2010, the CAT union apparently again funded by IBT Local 631 raided the union of First Transit employees represented by Local 1758 (Las Vegas, NV). The International did not learn of this raid until it was alerted by Local 1637 in mid-March. In an election held in April 2010, the employees voted overwhelmingly to support the CAT union and that their counsel was representing the CAT union.

On April 8, 2010, we learned that Teamsters Local 683 in San Diego, CA, had intervened on a decertification petition filed by a former Local 1309 executive board member. The petition was for the employees at Veolia Transportation in Chula Vista, CA, represented by Local 1309 (San Diego, CA).

We immediately worked with the local to put together a plan of action, including training of local union supporters on the property. We also assisted Local 1309 in filing a claim against Teamster Local 683 with the San Diego Central Labor Council (CLC) for violating the solidarity agreement.

Although the local, along with the ATU Organizing Department and International Vice President Chuck Cook filed a complaint with the Central Labor Council (CLC), the CLC executive board voted not to hear the complaint until after the election was scheduled. In an election held on May 14, 2010, the vote was conducted and the results were 281 for Teamsters Local 683, 28 votes for ATU Local 1309 and five votes for no union. Therefore, over 400 members were lost as a result of this raid.

In May 2010, Teamsters Local 170 filed a petition to represent the school bus drivers employed by First Student, Inc., in Stoughton, MA, represented by Local 690 (Fitchburg, MA). We immediately assigned an organizer to work with the local. In a vote conducted in early June 2010, the employees overwhelmingly chose to be represented by the Teamsters. On the same date as the election, the Teamsters posted the victory on their website, which made it clear that the raids were at that time being orchestrated from Teamsters headquarters.

On June 2, 2010, we were advised that Teamsters Local 839 filed a petition with the Washington Public Employees Relations Commission raiding Local 1599 (Tri-Cities, WA) for the operators at Ben Franklin Transit. We immediately acted not only to contact the Washington State AFL-CIO and the local CLC, but we also reached out to the AFL-CIO, who then began talks with the Teamsters in an attempt to reach an agreement ending the raiding of ATU bargaining units.

On June 25, 2010, we were advised by the AFL-CIO that the Teamsters had agreed to stop raiding ATU. As of the end of the convention period, however, the Teamsters had not withdrawn the petition and had indicated that the local Teamsters president was refusing to obey a directive from President Hoffa.

Strikes

On March 1, 2010, the newly organized members of Local 1208 (Jackson, MS) employed by First Student in Tuscaloosa, AL, who operate the Crimson Ride shuttle at the University of Alabama went out on a one-day strike over the refusal of the employer to offer a fair contract. They returned to work on March 2, 2010, when the employer agreed to resume negotiations.
Expenses

Approximately $189,309 was spent during this report period on organizing. This figure includes the salaries and expenses for the Organizing Department and lost time and miscellaneous expenses for the member organizers. It also includes full-time international representatives’ salaries and expenses for those who assisted in these organizing campaigns. Local union members assigned to assist with these drives were reimbursed by the International for their wages and expenses incurred.

The meeting adjourned sine die at 2:00 p.m.

INTERIM ACTIONS AND RULINGS BY THE GENERAL EXECUTIVE BOARD

For the Period January 1, through June 30, 2010

1. AUTHORIZATION FOR LOCAL 618 (PROVIDENCE, RI) TO ENTER INTO INTEREST ARBITRATION

Under authority vested in International President George by action of the General Executive Board and pursuant to Section 19.2 of the Constitution and General Laws, on January 5, 2010, Local 618 was authorized to enter into interest arbitration with the Rhode Island Public Transit Authority.

2. STRIKE SANCTION GRANTED TO MEMBERS OF LOCAL 587 (SEATTLE, WA) EMPLOYED BY PARATRANSIT SERVICES, INC.

Under authority vested in International President George by action of the General Executive Board and pursuant to Section 20.2 of the Constitution and General Laws, on January 8, 2010, strike sanction was granted at the request of International Vice President Hansen to the members of Local 587 employed by Paratransit Services, Inc.

3. AUTHORIZATION FOR LOCAL 1209 (NEW LONDON, CT) TO ENTER INTO INTEREST ARBITRATION

Under authority vested in International President George by action of the General Executive Board and pursuant to Section 19.2 of the Constitution and General Laws, on January 15, 2010, Local 1209 was authorized to enter into interest arbitration with First Transit.

4. AUTHORIZATION FOR LOCAL 923 (AMSTERDAM, NY) TO ENTER INTO INTEREST ARBITRATION

Under authority vested in International President George by action of the General Executive Board and pursuant to Section 19.2 of the Constitution and General Laws, on January 15, 2010, Local 923 was authorized to enter into interest arbitration with the City of Amsterdam.

5. AUTHORIZATION FOR INTERNATIONAL PRESIDENT TO PLACE LOCAL 282 (ROCHESTER, NY) IN TEMPORARY TRUSTEESHIP

Upon a polling of its membership conducted pursuant to Section 12.6 of the Constitution and General Laws, on January 21, 2010, the General Executive Board authorized International President George to place Local 282 in temporary trusteeship, effective immediately.

6. AUTHORIZATION FOR LOCAL 587 (SEATTLE, WA) TO ENTER FIVE-YEAR AGREEMENT

Under authority vested in International President George by action of the General Executive Board and pursuant to Section 33.1 of the Constitution and General Laws, on January 25, 2010, Local 587 was authorized to enter into a five-year agreement with the Clallam Transit System.

7. AUTHORIZATION FOR LOCAL 1039 (LANSING, MI) TO ENTER INTO FACT-FINDING

Under authority vested in International President George by action of the General Executive Board and pursuant to Section 19.2 of the Constitution and General Laws, on January 25, 2010, Local 1039 was authorized to enter fact-finding with the Capital Area Transit Authority.

8. APPROVAL OF PROPOSED RESOLUTION CONCERNING 2010 U.S. CENSUS

Upon a polling of its membership conducted pursuant to 12.8 of the Constitution and General Laws, on January 27, 2010, the General Executive Board approved the recommendation of International President George to adopt the resolution to cooperate with 2010 U.S. Census by sending a letter to all U.S. local unions to get the message to their members to complete and return the census forms.
9. STRIKE SANCTION GRANTED TO MEMBERS OF LOCAL (WAUKEGAN, IL) EMPLOYED BY PACE

Under authority vested in International President George by action of the General Executive Board and pursuant to Section 20.2 of the Constitution and General Laws, on February 18, 2010, strike sanction was granted at the request of International Vice President Borchardt to the members of Local 900 employed by PACE.

10. AUTHORIZATION FOR LOCAL 819 (NEWARK, NJ) TO ENTER FIVE-YEAR AGREEMENT

Under authority vested in International President George by action of the General Executive Board and pursuant to Section 33.1 of the Constitution and General Laws, on February 18, 2010, Local 819 was authorized, at the request of International Vice President Hanley, to enter into a five-year agreement with PABCO Transit.

11. STRIKE SANCTION GRANTED TO MEMBERS OF LOCAL 1220 (RICHMOND, VA) EMPLOYED BY THE OLD DOMINION MANAGEMENT COMPANY (GREATER RICHMOND TRANSIT CO.)

Under authority vested in International President George by action of the General Executive Board and pursuant to Section 20.2 of the Constitution and General Laws, on February 23, 2010, strike sanction was granted at the request of International Vice President Rivera to the members of Local 1220 employed by the Old Dominion Management Company (Greater Richmond Transit Company).

12. AUTHORIZATION TO CHANGE REGISTRATION FEES FOR THE 56TH CONVENTION

Upon a polling of its membership conducted pursuant to 12.8 of the Constitution and General Laws, on February 24, 2010, the General Executive Board approved the recommendation of International President George to increase the registration fee for the 56th Convention to $175.00 for each delegate and/or guest 12 years of age or older and $50.00 for guests under 12 years old.

13. STRIKE SANCTION GRANTED TO MEMBERS OF LOCAL 1208 (JACKSON, MS) EMPLOYED BY FIRST STUDENT, INC.

Under authority vested in International President George by action of the General Executive Board and pursuant to Section 20.2 of the Constitution and General Laws, on February 26, 2010, strike sanction was granted at the request of International Vice President Kirk to the members of Local 1208 employed by First Student, Inc.

14. STRIKE SANCTION GRANTED TO MEMBERS OF LOCAL 1181 (NEW YORK, NY) EMPLOYED BY NEW YORK PUBLIC SCHOOLS

Under authority vested in International President George by action of the General Executive Board and pursuant to Section 20.2 of the Constitution and General Laws, on March 19, 2010, strike sanction was granted to Local 1181 for the members employed by New York Public Schools.

15. TERMINATION OF PREVIOUSLY IMPOSED TRUSTEESHIP OF LOCAL 770 (MOBILE, AL)

Upon a polling of its membership conducted pursuant to Section 12.6 of the Constitution and General Laws, on March 22, 2010, the General Executive Board voted to terminate the trusteeship of Local 770 effective April 1, 2010.

16. AUTHORIZATION FOR LOCAL 591 (HULL, QC) TO ENTER SIX-YEAR AGREEMENT

Under authority vested in International President George by action of the General Executive Board and pursuant to Section 33.1 of the Constitution and General Laws, on March 24, 2010, Local 591 was authorized, at the request of International Vice President Graham, to enter into a six-year agreement with the City of Gatineau, QC.

17. ADOPTION OF HEARING OFFICER’S REPORT REGARDING THE TRUSTEESHIP OF LOCAL 282 (ROCHESTER, NY)

Upon a polling of its membership conducted pursuant to Section 12.6 of the Constitution and General Laws, on March 30, 2010, the General Executive Board adopted the Hearing Officer’s Report as its Findings and Determinations in the matter of the trusteeship hearing of Local 282.

18. STRIKE SANCTION GRANTED TO MEMBERS OF LOCAL 1001 (DENVER, CO) EMPLOYED BY VEOLIA TRANSPORTATION, INC.

Under authority vested in International President George by action of the General Executive Board and pursuant to Section 20.2 of the Constitution and General Laws, on April 16, 2010, strike sanction was granted at the request of International Vice President Kirk to the members of Local 1001 employed by Veolia Transportation, Inc.
19. **AUTHORIZATION FOR LOCAL 256 (SACRAMENTO, CA) TO ENTER INTO INTEREST ARBITRATION**

Under authority vested in International President George by action of the General Executive Board and pursuant to Section 19.2 of the Constitution and General Laws, on April 29, 2010, Local 256 was authorized to enter into interest arbitration with the Sacramento Regional Transit District.

20. **AUTHORIZATION FOR LOCAL 694 (SAN ANTONIO, TX) TO RETAIN A LOWER DUES STRUCTURE**

Under the authority vested in International President George by action of the General Executive Board and pursuant to Section 18.3 of the Constitution and General Laws, on May 18, 2010, Local 694 was granted permission to retain a lower dues structure.

21. **STRIKE SANCTION GRANTED TO MEMBERS OF LOCAL 1624 (PETERBOROUGH, ON) EMPLOYED BY COACH CANADA**

Under authority vested in International President George by action of the General Executive Board and pursuant to Section 20.2 of the Constitution and General Laws, on May 18, 2010, strike sanction was granted at the request of International Vice President Graham to the members of Local 1624 employed by Coach Canada.

22. **AUTHORIZATION FOR LOCAL 1591 (FT. LAUDERDALE, FL) TO RETAIN A LOWER DUES STRUCTURE**

Under the authority vested in International President George by action of the General Executive Board and pursuant to Section 18.3 of the Constitution and General Laws, on May 21, 2010, Local 1591 was granted permission to retain a lower dues structure.

23. **AUTHORIZATION FOR LOCAL 1729 (PITTSBURGH, PA) TO RETAIN A LOWER DUES STRUCTURE**

Under the authority vested in International President George by action of the General Executive Board and pursuant to Section 18.3 of the Constitution and General Laws, on June 3, 2010, Local 1729 was granted permission to retain a lower dues structure.

24. **AUTHORIZATION FOR LOCAL 1743 (PITTSBURGH, PA) TO RETAIN A LOWER DUES STRUCTURE**

Under the authority vested in International President George by action of the General Executive Board and pursuant to Section 18.3 of the Constitution and General Laws, on June 4, 2010, Local 1743 was granted permission to retain a lower dues structure.

25. **AUTHORIZATION FOR LOCAL 690 (FITCHBURG, MA) TO RETAIN A LOWER DUES STRUCTURE**

Under the authority vested in International President George by action of the General Executive Board and pursuant to Section 18.3 of the Constitution and General Laws, on June 22, 2010, Local 690 was granted permission to retain a lower dues structure.
FIRST SESSION

The meeting convened at 9:00 a.m. on Monday, December 13, 2010. Board members present were Rodney Richmond, Larry R. Kinnear, Javier M. Perez, Jr., Richard M. Murphy, Bob M. Hykaway, Charles Cook, William G. McLean, Janis M. Borchardt, Paul D. Bowen, Kenneth R. Kirk, Gary E. Rauen, Marcellus Barnes, Rafael Rivera, Yvette J. Salazar, Gary Johnson, Sr., Robin West, John A. Costa, and Charles E. Watson. International President Lawrence J. Hanley presided. Also in attendance were International Executive Vice President Robert H. Baker, Sr., International Secretary-Treasurer Oscar Owens and General Counsel Robert Molofsky.

Guests in attendance were ATU Consultant Bob Muehlenkamp, Executive Director Greg LeRoy of Good Jobs First and Vic Fingerhut, president of Fingerhut Campaigns.

INTRODUCTORY REMARKS

International President Hanley welcomed the General Executive Board to Washington, DC. He, International Executive Vice President Baker and International Secretary-Treasurer Owens congratulated the officers on their recent elections to office. Thereafter, he apprised the Board of the recently concluded “ATU Boot Camp/Community Organizing Summit” held in Chicago, IL, from November 29 – December 2, 2010.

He noted it was the first of several such programs to begin addressing the transit crisis in America. He also briefed the Board on the mission, staffing and program responsibilities of the newly formed ATU Field Mobilization and Training Department. The department is charged with assisting locals through ATU-sponsored conferences and training programs to build coalitions with transit advocacy groups in support of increased funding and service.

PRESENTATION ON STATE LEGISLATIVE ATTACKS ON PUBLIC EMPLOYEE COLLECTIVE BARGAINING RIGHTS

ATU Consultant Bob Muehlenkamp gave a comprehensive presentation on pending state legislative efforts to undermine long-standing public employee bargaining rights as part of the GOP’s national agenda to weaken unions and their ability to participate in the political process.

Highlights included a summary of the “New Political Landscape” following the 2010 elections, which gave Republicans control over a majority of state governorships and increased control over state legislatures. Special attention was given to legislation pending in Florida, Ohio, Wisconsin, Michigan and Pennsylvania.

The international officers and the Board discussed the dire consequences such legislation would have on our members and reviewed plans to assist ATU locals in these battles.

PRESENTATION BY GREG LeROY, EXECUTIVE DIRECTOR OF GOOD JOBS FIRST

Greg LeRoy, executive director of Good Jobs First, a private nonprofit organization founded in 1998 to conduct economic research focused on state subsidies and tax breaks to corporations and their impact on jobs and development, addressed the Board. He described several successful coalition campaigns and the research, contacts, and other resources he could bring to these campaigns.

International President Hanley and Greg LeRoy provided additional background on the coalition partners who participated in the Chicago Boot Camp and plans to provide additional training conferences in the ensuing months to develop locally based partnerships on a national scale. Efforts to reach out to other unions...
were also discussed. Thereafter, the Board and executive officers discussed the role such campaigns could play in assisting our locals in contract and organizing efforts.

POLLING AND THE CHICAGO CAMPAIGN

Nationally recognized pollster, Vic Fingerhut, president of Vic Fingerhut Campaigns, discussed the uses of polling in campaigns, including message development and media outreach. He led the Board in a discussion of his findings from a recent Chicago survey and the broad-based support among various constituencies for improved transit.

GENERAL DISCUSSIONS

The remainder of the day was devoted to discussions between the international officers and board members. The meeting adjourned at 5:00 p.m. to reconvene at 9:00 a.m. on Tuesday, December 14, 2010.

SECOND SESSION

The meeting convened at 9:00 a.m. on Tuesday. December 14, 2010. Board members present were Rodney Richmond, Larry R. Kinnear, Javier M. Perez, Jr., Richard M. Murphy, Bob M. Hykaway, Charles Cook, William G. McLean, Janis M. Borchardt, Paul D. Bowen, Kenneth R. Kirk, Gary E. Rauen, Marcellus Barnes, Rafael Rivera, Yvette J. Salazar, Gary Johnson, Sr., Robin West, John A. Costa, and Charles E. Watson. International President Lawrence J. Hanley presided.

Also in attendance were International Executive Vice President Robert H. Baker, Sr., International Secretary-Treasurer Oscar Owens, General Counsel Robert Molofsky and Director of Government Affairs Jeff Rosenberg.

Guests in attendance were ATU Consultant Bob Muehlenkamp, Executive Director Greg LeRoy of Good Jobs First and Vic Fingerhut, president of Fingerhut Campaigns.

ORGANIZING REPORT

International Executive Vice President Baker discussed recent organizing campaigns and ongoing efforts to advance ATU’s organizing program. International Executive Vice President Baker stressed the necessity for maintaining a strong organizing program to build density within the sectors represented by ATU.

PRESENTATION ON PRIVATIZATION

International President Hanley led a discussion with the Board about the wave of privatization efforts sweeping across the U.S. and Canada. Local 113’s successful anti-privatization campaign, “Keep TTC Public”, was discussed and Local 113’s anti-privatization video was shown. The Board discussed various legal, legislative, bargaining and political strategies for responding to these problems and the resources necessary for success.

GENERAL DISCUSSIONS

For the remainder of the session, the Board engaged in general discussions with respect to resources and training and the potential for securing support from outside foundations to launch and conduct effective community-based campaigns.

The meeting adjourned at 5:00 p.m. to reconvene at 9:00 a.m. on Wednesday, December 15, 2010.

THIRD SESSION

The meeting convened at 9:00 a.m. on Wednesday, December 15, 2010. Board members present were Rodney Richmond, Larry R. Kinnear, Javier M. Perez, Jr., Richard M. Murphy, Bob M. Hykaway, Charles Cook, William G. McLean, Janis M. Borchardt, Paul D. Bowen, Kenneth R. Kirk, Gary E. Rauen, Marcellus Barnes, Rafael Rivera, Yvette J. Salazar, Gary Johnson, Sr., Robin West, John A. Costa, and Charles E. Watson. International President Lawrence J. Hanley presided.

Also in attendance were International Executive Vice President Robert H. Baker, Sr., International Secretary-Treasurer Oscar Owens, General Counsel Robert Molofsky and Director of Government Affairs Jeff Rosenberg.

Attending as a guest of ATU was retained counsel Beth Margolis of the law firm of Gladstein, Reif & Meginniss, LLP.
BOARD APPROVES SUPPORT FOR ATU TRANSIT & LABOR/COMMUNITY-BASED CAMPAIGNS FOR TRANSIT

Upon recommendation of International President Hanley, the General Executive Board debated and then approved the following motion:

“Upon a duly seconded motion, the General Executive Board approves the development and launching of a national community-based campaign involving ATU locals and community-based transit advocates, along with the AFL-CIO/CLC, other interested unions and parties to secure grassroots/ridership and community support for increased federal, state and provincial transit funding, opposition to privatization and other attacks on Labor with an immediate emphasis on securing much needed operating assistance to restore, maintain and expand transit service and return our laid off members to work. The Board further agrees that the international office develop and implement a plan of action, combining both International and local union resources, in support of such efforts.

“More specifically, the Board approves the international office providing support for such campaigns by insuring that the amount of COPE dollars, (COPE-PLUS) raised by a local in 2011 above its 2010 levels, and comparable funds raised by Canadian locals, will be returned to the locals to support approved community-based campaigns and that the international office will, at a minimum, match such amounts, as well as provide training, communications, media, staff assistance and other resources to successfully implement these campaigns.”

GENERAL EXECUTIVE BOARD APPROVES MOTION FOR INTERNATIONAL OFFICERS, STAFF & EMPLOYEES HEALTH CARE SAVINGS

Following a presentation from CIGNA healthcare representatives describing the cost savings (in excess of $100,000 annually) to be achieved by moving from a preferred provider organization (PPO) plan to an open access plan (OAP), the General Executive Board unanimously approved a motion duly made and seconded to adopt the OAP plan on or after January 15, 2011, subject to a review of the medical providers under the new plan by that date to ensure their confirmed inclusion in the new plan.

GENERAL DISCUSSIONS

The remainder of the day was devoted to discussions between the international officers and board members including efforts to address the adverse impacts of bus deregulation in the intercity bus industry.

The meeting adjourned sine die at 5:00 p.m.
FIRST SESSION

The meeting convened at 9:00 a.m. on Monday, May 2, 2011. Board members present were Rodney Richmond, Larry Kinnear, Javier Perez, Jr., Richard Murphy, Bob Hykaway, Charles Cook, William McLean, Paul Bowen, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, Gary Johnson, Sr., Robin West, John Costa, and Charles Watson. International President Lawrence J. Hanley presided.

Also in attendance were International Executive Vice President Robert H. Baker, Sr., International Secretary-Treasurer Oscar Owens, General Counsel Robert Molofsky, and Executive Assistant to the International President Lauri Straughan.

Retired International President Emeritus Jim LaSala attended as a guest. International Vice President Janis Borchardt was excused.

INTRODUCTORY REMARKS

International President Hanley briefly outlined the matters that would be put before the Board for its consideration and action.

AUDIT COMMITTEE APPOINTED

Appointed to the Audit Committee were International Vice Presidents Kirk, Bowen and Borchardt. International Vice President Borchardt was designated as chair.

INTERNATIONAL EXECUTIVE VICE PRESIDENT’S REPORT ON ORGANIZING

Efforts to organize workers in the transportation-related industry and other areas, as designated by the General Executive Board pursuant to Section 1 of the International Constitution and General Laws, continued over the course of these six months.

It was reported that for the period ended December 31, 2010, we were involved in campaigns at 15 different properties to organize over 2,000 employees. Since the end of this reporting period 500 of those employees at three of those properties have successfully organized. There were no raids. There have been only two strikes during the reporting period.

Thereafter, the Board engaged in a lengthy discussion involving alternative ATU structures and strategies for organizing transit, school bus and paratransit employers in the U.S. and Canada.

Approximately $306,357 was spent during this report period on organizing. This figure includes the salaries and expenses for the Organizing Department and lost time and miscellaneous expenses for the member organizers. It also includes full-time international representatives’ salaries and expenses for those who assisted in these organizing campaigns.

INTERNATIONAL SECRETARY-TREASURER’S REPORT ON ATU MS RESEARCH FUNDS

It was reported that the 25th annual golf tournament, jointly sponsored by the ATU MS Research Funds of the United States and Canada, was held on Monday, October 25, 2010, at Worthington Manor Country Club in Urbana, MD.

The U.S. fund had, as of July 2010, available cash of $8,267.60. The collections during the six-month period ended December 31, 2010, amounted to $84,952.02. These receipts were as follows: General Contributions of $12,920.02, Local Union Contributions of $17,840.00, Golf Tournament Receipts of $51,816.00, and Booster Contributions of $2,376.00.

During the same six-month period, the fund paid golf tournament expenses of $32,280.65. These transactions created an available cash balance for charitable purposes and for future operations of $60,938.97. Of this amount, $56,000 was contributed to the National Multiple Sclerosis Society.
The Canadian fund had available cash as of July 1, 2010, of $2,732.60. The collections for the six-month period ended December 31, 2010, totaled $52,345.22. These receipts consisted of General Contributions of $70.10, Local Union Contributions of $45,050.00, Interest Income of $12, Golf Tournament Receipts of $6,520.00, and Booster Contributions of $705.00.

During the period, the fund incurred miscellaneous administrative expenses of $743.39. As a result, the fund had available for contribution and future operations $54,334.43. Of this amount, $44,000.00 was forwarded to Local Union 113 for presentation to Dr. John Roder of Mount Sinai Hospital, Toronto, ON, to further assist his ongoing MS research efforts, and $6,000.00 was forwarded to the MS Society of Canada Research Fund.

Complete financial statements covering the period of July 1, 2010, through December 31, 2010 for both the U.S. and Canadian MS Research funds were provided to the General Executive Board.

Members of the Board were informed that special recognition must again go to the officers and members of Local Union 113 of Toronto, ON, for their generous donation of $44,000.00 that will go a long way in the fight against MS. Special mention is also due to the officers and members of the Boston Carmens Local Union 589; the New Jersey Council; Local Union 1181 (New York, NY); and Local Union 1277 (Los Angeles, CA), for their sizeable contributions.

INTERNATIONAL SECRETARY-TREASURER’S REPORT ON ATU SCHOLARSHIP PROGRAM

The General Executive Board was advised that the 2011 scholarship program named in memory of Stuart Snowden, former international vice president, was concluded with the issuance of five checks in the amount of $5,000.00 for our academic awardees. A check in the amount of $2,000.00 was issued for the vocational scholarship.

The 2012 scholarship program named in memory of Gary Mauer, former international representative, who passed away on June 1, 2010, will commence with the publication of the official application and guidelines in the 2011 September-October issue of the In Transit.

FINANCIAL ASSISTANCE REQUESTS

Local 981 (Alexandria, LA)

By letter dated August 3, 2010, President/Business Agent Gary Lee of Local 981, requested financial assistance in the form of seeking an exemption from the payment of per capita taxes because the local consists of only 12 members. President/Business Agent Lee further stated the request is made due to the recession and budget cuts at the city.

The General Executive Board, after careful review and consideration of the facts, voted to authorize providing financial assistance to Local 981 in the form of a six-month per capita tax waiver.

Local 382 (Salt Lake City, UT)

A jointly signed letter dated September 10, 2010, was received from President/Business Agent Rod Dunn and Financial Secretary-Treasurer Jim Allgier of Local 382, seeking financial assistance to aid the local in its efforts to take on issues at the state level to protect its members’ rights and to offset grievance costs. In addition, the local retained another lawyer to assist the local in these efforts.

The General Executive Board, after careful review and consideration voted to grant authority to the international executive officers to grant whatever assistance they deem appropriate after Local 382 forwards a more complete record of its revenues and disbursements.

Local 1637 (Las Vegas, NV)

Jose Mendoza, president/business agent of Local 1637, requested financial assistance due to the local union’s continuing efforts to engage in internal organizing and establish a legal fund in accordance with the local union’s bylaws. Further, the local union has incurred additional litigation expenses for a duty of fair representation case.

The General Executive Board, after careful review and consideration of the facts, voted to authorize providing financial assistance to Local 1637 in the form a two-month waiver of per capita tax.

Local 1181 (New York, NY)

Jean Claude Calixte, financial secretary of Local 1181, requests financial assistance to defray the costs of ongoing organizing expenses. The specific request is for lost time for member organizers for the period February 1, 2010, through November 10, 2010.
The General Executive Board, after careful review and consideration of the facts, voted to authorize providing financial assistance to Local 1181 in the form of a grant in the amount of $25,000.

INTERNATIONAL SECRETARY-TREASURER’S FINANCIAL REPORT ADOPTED

International Secretary-Treasurer Owens presented his formal report for the six-month period ending December 31, 2010.

International President Hanley then reported to the Board on the aggressive ongoing department-by-department review to reduce expenses where possible while continuing to meet and service the needs of our members and advance the mission of the Union. He stressed in particular the expanded use of competitive bidding for contracted services, the institution of more stringent accountability systems with respect to the allocation of field program resources, including the preparation and approval of project specific strategic plans and budgets.

International President Hanley agreed to consider recommendations regarding the benefits to be derived from a more rigorous budgeting and planning process.

Thereafter, upon a motion duly made and seconded, the Report of the International Secretary-Treasurer for the six-month period ended December 31, 2010, was approved as printed.

MOTION TO CLARIFY APPLICATION OF 2010 CONVENTION ACTION INCREASING ARBITRATION ASSISTANCE TO LOCAL UNIONS UNDER SECTION 19.2 OF THE CONSTITUTION AND GENERAL LAWS

Upon motion duly made and seconded, the General Executive Board clarified that the convention action increasing arbitration assistance from the Defense Fund as provided for under Section 19.2, Assistance for Arbitration and Fact-finding, would apply to expenses incurred for awards issued on or after January 1, 2011.

INTERNATIONAL PRESIDENT HANLEY ELECTED TO AFL-CIO EXECUTIVE COUNCIL

International President Hanley reported to the Board that upon ruling that retired international officers are not eligible to represent ATU on the AFL-CIO Executive Council and following the resignation of retired International President Warren George, International President Hanley was unanimously elected to serve as ATU’s representative on the AFL-CIO Executive Council.

GENERAL DISCUSSIONS

The remainder of the session was devoted to discussions among the international executive officers and members of the Board on the impact of the current economic crisis on ATU locals, field activities, including legislative and political efforts in response to adverse state collective bargaining laws and a review of various local and state-wide coalition campaigns and ATU expanded training programs.

The meeting adjourned at 5:30 pm to reconvene at 9:00 a.m. Tuesday, May 3, 2011.

SECOND SESSION

The meeting convened at 9:00 a.m. on Tuesday, May 3, 2011. Board members present were Rodney Richmond, Larry Kinnear, Javier Perez, Jr., Richard Murphy, Bob Hykaway, Charles Cook, William McLean, Janis Borchardt, Paul Bowen, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, Gary Johnson, Sr., Robin West, John Costa, and Charles Watson. International President Lawrence J. Hanley presided.

Also in attendance were International Executive Vice President Robert H. Baker, Sr., International Secretary-Treasurer Oscar Owens, General Counsel Robert Molofsky, and Executive Assistant to the International President Lauri Straughan.

Retired International President Emeritus Jim LaSala and Retired International Executive Vice President Emeritus Mike Siano attended as guests. International Vice Presidents Janis Borchardt and Bob Hykaway were excused.
INTRODUCTORY REMARKS

International President Larry Hanley reported that the members of Local 1005 (Minneapolis/St. Paul, MN) ratified a new collective bargaining agreement. International Vice President Borchardt assisted the local during negotiations. President Hanley then reviewed the agenda for the week.

APPEALS TO THE GENERAL EXECUTIVE BOARD

Appeal No. 1: Jerry Matthews
Local Union 308 (Chicago, IL)

There came before the General Executive Board, an appeal by Jerry Mathews, a member of Local 308 (Chicago, IL), which contested the June 16, 2010, decision of former International President Warren George. Therein, President George denied Brother Mathews’ appeal of the decision by Local 308’s membership denying his challenges concerning the conduct of the election of Local 308’s delegates to the 2010 Convention.

Brother Matthews presented his case by conference call via speakerphone, before the General Executive Board and provided a detailed summary of the issues underlying his appeal.

In his appeal, Brother Matthews raised three issues: that Local 308 did not follow the International Constitution or Local 308’s bylaws in the election of delegates; that the balloting procedure resulted in only 106 out of 3,500 members participating in the election; and that pensioners voted in the delegate elections but not on Brother Matthews’ challenge.

Upon a thorough deliberation of all the facts and evidence in this case, the General Executive Board voted to withhold until Thursday, May 5, a final vote on the appeal, pending a complete review of the applicable provisions of Local 308’s bylaws.

Appeal No. 2: Effie McCain
Local Union 732 (Atlanta, GA)

There came before the General Executive Board, an appeal by Effie McCain, a member of Local 732. Upon a thorough deliberation of all the facts and evidence in this case, the General Executive Board while noting the factual concerns raised by Sister McCain, and her long time service to the Union, voted to uphold the June 24, 2010, decision of former International President Warren George, denying Sister McCain’s appeal for the reasons stated therein.

Appeal No. 3: Jarrell Brown
Local Union 1324 (Savannah, GA)

There came before the General Executive Board, an appeal by Jarrell Brown, a member of Local 1324, which contested former International President Heintzman’s August 13, 2010, decision denying his appeal of Local 1324’s membership not to take his termination case to arbitration.

Brother Brown presented his case by conference call, via speakerphone before the General Executive Board and provided a detailed summary of the grievance underlying his appeal, including his allegations regarding the voting procedures followed by the local in processing his case.

Upon a thorough deliberation of all the facts and evidence in this case, the General Executive Board voted to uphold the decision of the former International President Heintzman who found no evidence of arbitrary, capricious, or discriminatory conduct relative to the local union’s handling of the termination grievance.

Appeal No. 4: Rita Dilenno
Local Union 1384 (Bremerton, WA)

There came before the General Executive Board, an appeal by Rita Dilenno, a member of Local 1384, to a September 3, 2010, decision by International President Hanley denying a request to receive separate arbitration assistance as provided for under Section 19.2 of the Constitution for two of Local 1384’s distinct bargaining units involved in the same arbitration.

Based on Sister Dilenno’s clarification of the underlying facts, and noting the two separate units and contracts, and the intended purpose of Section 19.2 the General Executive Board upon a thorough deliberation of the issues raised, voted to approve the request for payment of interest arbitration assistance based on two separate bargaining units and award the local the appropriate amount under the formula provided for under Section 19.2.

PRESENTATION BY DAVID FEINSTEIN, FSA, FA, AND ACTUARY FOR ATU INTERNATIONAL OFFICERS AND EMPLOYEE’S PENSION PLAN

Plan actuary David Feinstein reported to the international executive officers and members of the
General Executive Board on the status of the ATU Pension Plan, investment returns, current plan assets, valuation, investment return history, expected target liability and anticipated funding obligations. Thereafter, the Board members discussed the actuarial report, findings, and options presented to address required funding levels for the plan.

**GENERAL DISCUSSIONS**

The remainder of the session was devoted to discussions among the international executive officers and members of the Board. The meeting adjourned at 5:15 pm to reconvene at 9:00 a.m. on Wednesday, May 4, 2011.

**THIRD SESSION**

The meeting convened at 9:00 a.m. on Wednesday, May 4, 2011. Board members present were Rodney Richmond, Larry Kinnear, Javier Perez, Jr., Richard Murphy, William Hykaway, Charles Cook, William McLean, Janis Borchardt, Paul Bowen, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, Gary Johnson, Sr., Robin West, John Costa, and Charles Watson. International President Lawrence J. Hanley presided.

Also in attendance were Executive Vice President Robert H. Baker, Sr., International Secretary-Treasurer Oscar Owens, General Counsel Robert Molofsky, and Executive Assistant to the International President Lauri Straughan.

Retired International President Emeritus Jim LaSala and retired International Executive Vice President Emeritus Mike Siano attended as guests.

Peter Donohue, Ph.D., PBI Associates, Portland, OR, attended as a special guest.

**MINUTES OF FALL 2010 GENERAL EXECUTIVE BOARD MEETING APPROVED**

The minutes of the previous General Executive Board meeting were approved.

**REPORT ON NATIONAL ECONOMIC CLIMATE AND ITS IMPACT ON THE TRANSIT BUDGET PROCESS AND CONTRACT COSTING**

Dr. Peter Donahue, principal with a Seattle-based economic consulting firm, presented and discussed with the Board the impact of the current economic crisis on transit budgeting, contract costing and alternative ways to analyze and address this matter in preparation for and during bargaining.

**GENERAL DISCUSSIONS**

The remainder of the session was devoted to discussions among the international executive officers and members of the Board. The meeting adjourned at 12:00 pm to reconvene at 9:00 a.m. on Thursday, May 5, 2011.

**FOURTH SESSION**

The meeting convened at 9:00 a.m. on Thursday, May 5, 2011. Board members present were Rodney Richmond, Larry Kinnear, Javier Perez, Jr., Richard Murphy, Bob Hykaway, Charles Cook, William McLean, Janis Borchardt, Paul Bowen, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, Gary Johnson, Robin West, John Costa, and Charles Watson. International President Lawrence J. Hanley presided.

Also in attendance were Executive Vice President Robert Baker, International Secretary-Treasurer Oscar Owens, General Counsel Robert Molofsky, and Executive Assistant to the International President Lauri Straughan.

Also in attendance were International Representatives Anthony Withington, Dennis Antonellis, Karen Miller-Lewis, Stephan MacDougall, and Claudia Hudson, and Canadian Council Director Stan Dera.

Retired International President Emeritus Jim LaSala and Retired International Executive Vice President Emeritus Mike Siano attended as guests.

**MOTION ON LOCAL 308 (CHICAGO, IL) APPEAL**

Following a thorough review of Local 308’s bylaws and related International Union records, and further discussion on the issues raised, the General Executive Board voted to sustain the June 16, 2010, decision of
former International President Warren George and deny the appeal.

REPORT AND MOTION TO TERMINATE LOCAL 1754 (LAWRENCE, KS) TRUSTEESHIP

International Vice President Perez reported on the progress and accomplishments achieved with respect to the administrative affairs of the local, including bylaws and election of officers. Thereafter, the Board, pursuant 12.6 of the Constitution and General Laws, voted to authorize the termination the trusteeship of Local 1754.

REPORT AND MOTION TO TERMINATE LOCAL 282 (ROCHESTER, NY) TRUSTEESHIP

International Vice President Rauen reported on the progress and accomplishments achieved to address the issues underlying the trusteeship, including its financial position, recordkeeping and grievance backlog among other matters. Thereafter, the Board, pursuant 12.6 of the Constitution and General Laws, voted to authorize the termination of the trusteeship of Local 282, effective July 1, 2011.

REPORT ON LOCAL 1385 (DAYTON, OH) TRUSTEESHIP

International Vice Presidents Richmond and Johnson reported on the ongoing progress to address the issues underlying the trusteeship of Local 1385 including improving its financial position, grievance processing and other administrative issues.

REPORT OF THE INTERNATIONAL SECRETARY- TREASURER ON ATU COPE

The Amalgamated Transit Union Committee on Political Education (ATU-COPE) program collects voluntary contributions from ATU members for the purposes of making contributions to and expenditures for candidates for federal, state and local offices and addressing federal, state and local political issues.

ATU-COPE consists primarily of the Voluntary Account, which is used to make contributions to candidates for federal elections (i.e., U.S. Senate, U.S. House and U.S. President), and to state and local candidates in jurisdictions that strictly regulate political contributions. In addition to the Voluntary Account, ATU-COPE maintains the Special Holding Account for contributions to state and local candidates and also maintains separate accounts in Florida, Missouri, New York and Wisconsin, as required by those states' laws.

Between July 1, 2010, and December 31, 2010, ATU-COPE took in contributions totaling $475,361.75. As of December 31, 2010, the funds had a combined available balance of $399,945.82.

STRIKE SANCTIONS APPROVED

Upon the request of International Vice President Johnson, the General Executive Board granted strike sanction to the members of Local 1743 (Pittsburgh, PA) employed by Beaver County Transit Authority.

Upon the request of International Vice President Rauen, the Board granted strike sanction to the members of Local 1395 (Pensacola, FL) employed by Veolia, under contract to the Escambia County Transit Authority.

DISCUSSION ON STRIKE STRATEGIES

International President Hanley led a discussion with the Board on the development of strategic plans before and during negotiations to better evaluate the necessity, timing and effectiveness of strikes.

MINUTES OF THE SPECIAL MEETING, DECEMBER 13-15, 2010, APPROVED

The minutes of the Special Meeting of the General Executive Board, held December 13-15, 2010 were approved.

GOVERNMENT AFFAIRS DEPARTMENT REPORT

During this period, the Government Affairs Department continued to push for legislation that would have provided for public transit operating assistance. Unfortunately, all of the bills died as Congress adjourned early for the campaign season.
According to a recent APTA survey, since January 1, 2009, 84% of transit systems have raised fares, cut service or are considering either of those actions. Thousands of workers in the transit industry have been laid off in recent months. Nearly half of the transit systems in the APTA survey have laid off employees or are considering layoffs in the future. It is impossible to calculate how many transit-dependent people have also lost their jobs because they cannot get to work.

The Safe, Accountable, Flexible, and Efficient Transportation Equity Act - A Legacy for Users (SAFETEA-LU), which provided long-term funding for the surface transportation program, expired in September of 2009. Congress has not passed legislation reauthorizing the program, which continues on flat funding with no policy changes through a series of extensions. The key stumbling block is the lack of a revenue source. Without a revenue source – a gas tax increase is the best option – the only type of bill that could pass would shrink the overall program significantly.

In December 2009, the House passed H.R. 2847, The Jobs for Main Street Act, 2010, a second economic stimulus bill that would appropriate another $8.4 billion for transit (in addition to the American Recovery and Reinvestment Act). The bill renewed the provision made available through the amendment to the ARRA that enables grant recipients to use up to 10% of their formula apportionment (those funds received through the provisions of the Jobs Act) for operating costs. Unfortunately, during this period, the bill died.

On May 25, 2010, Senator Christopher Dodd, D-CT, then-chair of the Banking Committee, introduced the Public Transportation Preservation Act of 2010 (S. 3412). It would have provided $2 billion for emergency support of public transportation agencies nationwide, allowing them to reverse or avoid deep service cuts, steep fare increases, and life-altering layoffs that are crippling American families.

Unfortunately, the bill was basically dead on arrival in the second half of the 111th Congress, as lawmakers grew increasingly uneasy about so-called “bailout” legislation, especially without an identified source of revenue to fund the initiative.

FY 2011 Transportation-Housing and Urban Development (THUD) Bill

The Government Affairs Department worked with Representative John Olver, D-MA, then-chair of the U.S. House Transportation, Housing and Urban Development, and Related Agencies Subcommittee on language to allow a portion of FY 2011 THUD funds to be used for transit operating assistance. Yet, Chairman Olver amended the bill to make $250 million of bus and formula grants available for general operating costs.

The amendment did not identify the specific accounts that the funds would come from, or how they would be distributed. In addition, as recommended by then-Transportation and Infrastructure Committee Chairman James Oberstar, D-MN, the Olver amendment only allowed this exception to take effect if legislation authorizing the change is enacted prior to September 30, 2011.

We, therefore, worked on two different tracks to unlock this $250 million. First, we requested Mr. Oberstar to remove his language from the appropriations bill that requires an authorization bill to be passed. This was seen as the best option, as prospects for immediate relief under Republican leadership in the 112th Congress are slim to none. Unfortunately Mr. Oberstar was not willing to do so. Yet, even if he had agreed, Senate Democrats informed us that Republican objections to this proposal in the Senate would be insurmountable.

The second option was to unlock the appropriations funds involved President Obama’s $50 billion transportation infrastructure proposal that was released on Labor Day. This initiative called for creating a permanent infrastructure bank to rebuild 150,000 miles of roads and construct 4,000 miles of rail. The president’s plan would make a major new investment in bus and rail transit, although details were not released during this time period. Unfortunately, Congress rejected this proposal upon arrival.

Long-Term Solutions

The Government Affairs Department continued to pursue cosponsors on Representative Russ Carnahan’s, D-MO, bill (HR 2746) which would provide for increased flexibility in the use of federal transit funds by allowing transit systems of all sizes to use a percentage of their formula funds for operations.

The bill had significant support in the House, with 144 cosponsors. During this reporting period, with the possibility of a Republican takeover of the House looking more like a certainty, we worked diligently to secure the support of GOP Members. By the end of this reporting period, 15 Republicans had signed onto the bill.
On August 24, 2010, the Census Bureau published its proposed criteria for defining urban areas based on the results of the 2010 Decennial Census. According to that document, 99 small, urbanized areas are forecast to become parts of adjoining or new large urbanized areas.

Transit systems in these areas, many of which are “red,” will lose their ability to use their Section 5307 funds for operating assistance because they will be listed in population centers above 200,000 in population. This is a significant development that could likely generate even more Republican support for the Carnahan bill.

Our goal continues to be to incorporate H.R. 2746 into the new surface transportation reauthorization bill. We are working with Rep. Carnahan’s office to rewrite his bill for introduction in the 112th Congress. The new bill will need to be adjusted to conform with the views of new leadership in the House.

Transit Safety

Following calls by the Obama Administration to allow the Federal Transit Administration (FTA) to impose broad safety standards for rail transit systems, the U.S. Senate Banking, Housing and Urban Affairs Committee introduced and marked up legislation in June to address safety issues in the industry and allow for FTA oversight.

The bill introduced in the Senate, the Public Transportation Safety Act of 2010, would establish a National Public Transportation Safety Plan to improve the safety of all public transportation systems (bus and rail) that receive federal funding.

The bill stalled in the Senate despite strong objections by Senator Barbara Mikulski, D-MD, who wants to see a bill passed in the wake of the 2009 fatal crash on Washington’s Metro. Representative John Mica, R-FL, the incoming chair of the House Transportation Committee says he does not support federal regulation in this area.

Public Transportation Ballots

In measures nationwide, voters continued to show their support for transportation investment by approving 77% of ballot measures. On Election Day, 22 out of 30 measures were approved in 13 states. Nearly $500 million in funding over five years was approved, ranging from modest property tax increases in small towns that will help preserve transit service to major bonds and other fees that will finance large scale capital projects and operating expenses. ATU locals played a major role in several campaigns.

California

The most significant measure that passed was California Proposition 22. The vote provides hope that the state’s transit systems may soon gain access to funds that have been shut off in recent years. The measure constitutionally protects more than $1.8 billion per year in state and local funding for transit, and prevents these funds from being raided, diverted or outright stolen as part of the state budget process.

Washington

The International provided $5,000 to Local 587, which joined the Washington State AFL-CIO in a campaign to kill I-1082. This initiative, financed by right wing interests, would have privatized Washington’s workers’ compensation system.

Business and labor interests regularly battle over the system in the state’s legislature. Businesses generally complain about the cost of premiums, the state’s management practices, and relatively sizeable benefits for injured workers. Labor officials argue that the system protects workers better than a private one by forsaking profits. Nearly 60% of voters rejected the measure.

GENERAL DISCUSSIONS

The remainder of the session was devoted to discussions among the international executive officers and members of the Board. The meeting adjourned at 5:30 p.m. to reconvene at 9:00 a.m. on Friday, May 6, 2011.

FIFTH SESSION

The meeting convened at 9:00 a.m. on Friday, May 6, 2011. Board members present were Rodney Richmond, Larry Kinneer, Javier Perez, Jr., Richard Murphy, Bob Hykaway, Charles Cook, William McLean, Janis Borchardt, Paul Bowen, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, Gary Johnson, Robin West, John Costa, and Charles Watson. International President Lawrence J. Hanley presided.
Also in attendance were Executive Vice President Robert H. Baker, Sr., International Secretary-Treasurer Oscar Owens, General Counsel Robert Molofsky, and Executive Assistant to the International President Lauri Straughan.

Also in attendance were International Representatives Anthony Withington, Dennis Antonellis, Karen Miller-Lewis, Stephan MacDougall, Claudia Hudson and Canadian Council Director Stan Dera.

Retired International President Emeritus Jim LaSala, and retired International Executive Vice President Emeritus Mike Siano and Cynthia Watson, Esq. attended as guests.

REPORT ON CANADIAN ECONOMIC, LEGISLATIVE, POLITICAL & LABOR RELATION ISSUES AND TRENDS

Cynthia Watson, retained ATU Canadian counsel and partner from the firm of Watson, Burns LLP, reported to the Board on current economic trends in Canada, recent political developments and their impact on ATU local unions, labor agreements and contract negotiations. Thereafter, the international executive officers and Board members engaged in an open discussion on how best to position our Canadian locals to address these challenges.

INTERNATIONAL PRESIDENT’S REPORT ADOPTED

The Report of the International President for the six-month period ending December 31, 2010 was approved as printed.

GENERAL DISCUSSIONS

The remainder of the session was devoted to discussions among the international executive officers and members of the Board.

The meeting adjourned sine die at 4:15 pm.
FIRST SESSION

The meeting convened at 9:00 a.m. on Saturday, July 16, 2011. Board members present were Rodney Richmond, Larry R. Kinnear, Javier M. Perez, Jr., Richard M. Murphy, Bob M. Hykaway, Charles Cook, William G. McLean, Janis M. Borchardt, Paul D. Bowen, Kenneth R. Kirk, Gary E. Rauen, Marcellus Barnes, Rafael Rivera, Yvette J. Salazar, Gary Johnson, Sr., Robin West, John A. Costa, and Charles E. Watson. International President Lawrence J. Hanley presided.

Also in attendance were International Executive Vice President Robert H. Baker, Sr., International Secretary-Treasurer Oscar Owens and General Counsel Robert Molofsky, and Executive Assistant to the International President Lauri Straughan.

Further, in attendance were Dan Glusica and Charlie Corrado, Employee Benefits Group, Inc., advisors to the International on health insurance plans and Romil Aparentado, account consultant with CareFirst/BlueCross BlueShield. Also attending as a special guest was Larry Cohen, international president of the Communications Workers of America.

INTRODUCTORY REMARKS BY INTERNATIONAL PRESIDENT HANLEY

International President Hanley reviewed the agenda for the special three-day meeting with the Board.

Thereafter the international officers and board members engaged in an extensive discussion of these issues and activities, including effective implementation strategies. Specific suggestions on expanding Canadian local union training, enhanced seminars on local union administration, leadership communications, and the expanded use of web-based training modules were considered.

PRESENTATION ON ATU HEALTH CARE BENEFITS, COSTS AND INSURANCE ALTERNATIVES

At the request of the international executive officers, Employee Benefits Group, Inc. provided a detailed overview and summary of their months-long effort to analyze the costs of ATU’s current health insurance program provided by CIGNA, and identify potential cost savings measures or alternative benefit providers that would measurably reduce the International’s rising health insurance costs, while providing comparable benefits to covered participants.

Based on their analysis of numerous carriers, Dan Glusica and Charlie Corrado provided the Board with an extensive report comparing the cost of the CIGNA medical insurance plan with Carefirst BlueCross and Blue Shield, and recommended the Carefirst Plan as the best option to control costs while maintaining comparable coverage. Under their proposal, ATU’s dental and life insurance benefits would remain with CIGNA and Spectera would continue to cover vision benefits.

The board members then engaged in an in-depth discussion with the consultants to better understand the advantages of switching to CareFirst and the changes resulting from a switch. Board members were provided with detailed charts and examples to evaluate the new program.

PRESENTATION BY CWA INTERNATIONAL PRESIDENT LARRY COHEN

CWA International President Larry Cohen made a presentation to the international officers and general executive board members on the state of the American labor movement. He highlighted CWA’s expanding efforts to develop campaigns at the community, statewide and national levels with other international unions and allies in the civil rights movement and environmental community. He commended ATU for its new direction and encouraged the Board to continue its broad-based efforts to more directly involve the International and ATU locals in these campaigns.
MOTION TO APPROVE CONTRACT WITH CAREFIRST BLUECROSS/BLUESHIELD AS HEALTH INSURANCE CARRIER FOR ATU OFFICERS, EMPLOYEES, RETIREES AND FAMILIES

Upon motion duly made and seconded the General Executive Board approved changing ATU’s medical insurance carrier from CIGNA to CareFirst BlueCross/BlueShield effective October 1, 2011. Dental and life insurance benefits will remain with CIGNA and Spectera will continue to cover vision benefits.

GENERAL DISCUSSIONS

The remainder of the day was devoted to discussions between the international officers and board members. The meeting adjourned at 5:00 p.m. to reconvene at 9:00 a.m. on Sunday, July 17, 2011.

SECOND SESSION

The meeting convened at 9:00 a.m. on Sunday, July 17, 2011. Board members present were Rodney Richmond, Larry R. Kinnear, Javier M. Perez, Jr., Richard M. Murphy, Bob M. Hykaway, Charles Cook, William G. McLean, Janis M. Borchardt, Paul D. Bowen, Kenneth R. Kirk, Gary E. Rauen, Marcellus Barnes, Rafael Rivera, Yvette J. Salazar, Gary Johnson, Sr., Robin West, John A. Costa, and Charles E. Watson. International President Lawrence J. Hanley presided.

Also in attendance were International Executive Vice President Robert H. Baker, Sr., International Secretary-Treasurer Oscar Owens and General Counsel Robert Molofsky, Executive Assistant to the International President Lauri Straughan, David Roscow, assistant to the president for communications, and Paul Fitzgerald, deputy director of communication.

Also in attendance was Ron Blackwell, chief economist of the AFL-CIO.

COMMUNICATIONS DEPARTMENT REPORT

David Roscow, assistant to the president for communications and Paul Fitzgerald, deputy director of communications, reported to the Board on the recent activities of the newly expanded department, which also included Shawn Perry, director of communications. David Roscow outlined the department’s new capabilities and priorities, including an aggressive new public relations and media outreach program.

He described ATU’s expanded capacity to engage in strategic communications efforts, including timely-issued press releases and statements, talking points, policy statements, and media training of both International and local unions. Roscow highlighted recent efforts to draw attention to ATU’s efforts to amend the FLSA with the issuance of its “Sudden Death Overtime” report, and the forthcoming “Red-X” campaign to draw public attention to the rising crisis in transit funding causing serious service cuts and layoffs in communities throughout the U.S.

Paul Fitzgerald then gave a demonstration on the new and enhanced features of ATU’s revamped website. He noted its capacity to showcase streaming video, provide access to Facebook and Twitter among other media sources and the additional information about ATU and its departments.

PRESENTATION BY RON BLACKWELL, CHIEF ECONOMIST, AFL-CIO

Ron Blackwell, chief economist for the AFL-CIO, provided the Board with a comprehensive report on the state of the U.S. economy, the factors underlying the fiscal crisis and prospects for recovery. The prime causal factors, he noted, included the Bush-era tax cuts that sharply reduced revenues and the rising costs of fighting three wars, in Iraq, Afghanistan and Libya. Blackwell also explained the Obama Administration’s efforts at rescue and recovery, the urgent need to rebuild our infrastructure and invest more broadly in manufacturing, transportation, and education. He urged continued support for such investments as the best options for long-term growth.

MOTION TO TRANSFER REMAINING ATU EFCA FUNDS TO AFL-CIO STATE CAMPAIGNS

Upon motion duly made and seconded, the General Executive Board authorized the international executive officers to notify the AFL-CIO of its approval permitting the transfer of the remaining funds contributed by ATU
to the now dormant employee free choice campaign to support the AFL-CIO’s campaigns to fight the rise of anti-labor bills in the states, including legislation depriving public employees of their bargaining rights in Wisconsin, Ohio, Michigan, and New Jersey among other states.

GENERAL DISCUSSIONS

The remainder of the day was devoted to discussions between the international officers and board members. The meeting adjourned at 5:00 p.m. to reconvene at 9:00 a.m. on Monday, July 18, 2011.

THIRD SESSION

The meeting convened at 9:00 a.m. on Monday, July 18, 2011. Board members present were Rodney Richmond, Larry R. Kinnear, Javier M. Perez, Jr., Richard M. Murphy, Bob M. Hykaway, Charles Cook, William G. McLean, Janis M. Borchardt, Paul D. Bowen, Kenneth R. Kirk, Gary E. Rauen, Marcellus Barnes, Rafael Rivera, Yvette J. Salazar, Gary Johnson, Sr., Robin West, John A. Costa, and Charles E. Watson. International President Lawrence J. Hanley presided.

Also in attendance were International Executive Vice President Robert H. Baker, Sr., International Secretary-Treasurer Oscar Owens, General Counsel Robert Molofsky and Executive Assistant to the International President Lauri Straughan.

Special guests in attendance were David Feinstein, Cheiron Inc., actuary for the ATU Pension Plan for International Officers, Staff and Employees (ATU Pension Plan) and Sharon Goodman, counsel to the Plan.

REPORT ON THE FINANCIAL STATUS OF ATU PENSION PLAN FOR INTERNATIONAL OFFICERS, STAFF AND EMPLOYEES

David Feinstein, actuary for the ATU Pension Plan, reported on the findings and conclusions reached based on his firm’s recent actuarial review of the Pension Plan. He discussed multi-year funding obligations by ATU to insure compliance with the federal funding guidelines and the current trajectory of rising contributions necessary to sustain the plan based on its current provisions and benefits.

He then presented a series of options for consideration by the Board, including modifications to the plan’s supplemental benefit provisions, which if adopted would measurably reduce ATU-required contributions. Thereafter, members of the Board engaged in a full discussion of the alternatives presented, amplified by explanations provided by Sharon Goodman, counsel to the Plan.

MOTION TO APPROVE AMENDMENTS TO THE SUPPLEMENTAL BENEFIT PROVISIONS OF THE ATU PENSION PLAN FOR INTERNATIONAL OFFICERS AND EMPLOYEES

Upon motion duly made and seconded, the General Executive Board approved amending Section 5.1 of the ATU Pension Plan to “phase out, effective January 1, 2012, the Supplemental Benefit for active participants for future years of service under the Plan by a “wear-away”. Current retirees and terminated vested participants are not affected by this change.

The Board also approved a motion duly made and seconded to authorize the ATU Pension Plan trustees to submit to the Internal Revenue Service for review, a second amendment to Section 5.1, proposing to end the supplemental benefit for current as well as future retirees and if approved to act thereon.

MOTION TO ELIMINATE BENEFIT OFFSET FOR INTERNATIONAL OFFICERS AND EMPLOYEES INELIGIBLE TO RECEIVE RAILROAD RETIREMENT BENEFITS FOR ALL WORK PERFORMED FOR THE UNION

Upon motion duly made and seconded, the General Executive Board approved amending Section 5.12 of the ATU Pension Plan to eliminate for participants who retired on or after October 1, 2006, the offset for international officers and employees not eligible to receive Railroad Retirement benefits for all work performed for the Union.

LEGAL DEPARTMENT REPORT

General Counsel Robert Molofsky reported on
recent legal and legislative developments, including continuing ATU efforts to respond to state attacks on public employee collective bargaining rights through enforcement of the Section 13(c) rights and agreements. The Board was updated on the status of the Section 13(c) “carryover” rights campaign involving Local 1091 (Austin, TX) and employees of Startran, the city’s private nonprofit service provider.

GENERAL DISCUSSIONS

The remainder of the day was devoted to discussions between the international officers and board members.

The meeting adjourned sine die at 5:00 p.m.

FALL MEETING, 2011
CARLSBAD, CA, OCTOBER 17 – 21, 2011

FIRST SESSION

The meeting convened at 9:00 a.m. on Monday, October 17, 2011. Board members present were Rodney Richmond, Javier Perez, Jr., Richard Murphy, Bob Hykaway, Charles Cook, William McLean, Janis Borchardt, Paul Bowen, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, Gary Johnson, Robin West, John Costa, and Charles Watson. International President Lawrence J. Hanley presided.

Also in attendance were International Executive Vice President Robert H. Baker, Sr., International Secretary-Treasurer Oscar Owens, General Counsel Robert Molofsky, and Executive Assistant to the International President Lauri Straughan.

In addition, Assistant to the International Secretary-Treasurer Doreen Price, and Assistant to the International Executive Vice President Missy Goode attended as guests.

International Vice President Larry Kinnear was excused.

OPENING REMARKS OF THE INTERNATIONAL PRESIDENT

International President Hanley reviewed the board agenda for the week, including scheduled speakers. He then presented a summary of recent economic trends, and a review of ATU activities, programs and accomplishments during the period, highlighting the Union’s expanded communications, education and other conferences, Department of Field Mobilization and training campaign efforts in concert with ATU locals, Section 13(c) grant and other case processing. He discussed ATU support for the Occupy Wall Street movement and other activities in concert with the AFL-CIO in opposition to state anti-labor legislation.

AUDIT COMMITTEE APPOINTED

Appointed to the Audit Committee were International Vice Presidents Borchardt, Kirk, and Bowen. International Vice President Borchardt was designated as chair.

REPORT OF THE INTERNATIONAL SECRETARY-TREASURER ON ATU SCHOLARSHIP

The 2011 scholarship program named in memory of Stuart Snowden, former international vice president, was concluded with the issuance of five checks in the amount of $5,000.00.

The 2012 scholarship program named in memory of Gary Maurer, former international representative, who passed away in June 2010, commenced with the publication of the official application and guidelines in the 2011 September-October issue of In Transit.
REPORT OF THE INTERNATIONAL SECRETARY-TREASURER ON ATU-MS RESEARCH FUND

The 26th annual golf tournament, jointly sponsored by the ATU MS Research Funds of the United States and Canada, was held on Monday, September 26, 2011, at Musket Ridge Golf Club in Myersville, MD. The results of this period’s efforts are as follows:

The U.S. fund had as of July 1, 2011, available cash of $4,504.82. The collections during the six-month period ended December 31, 2011, amounted to $76,239.51. These receipts were as follows: General Contributions of $2,594.51, Local Union Contributions of $12,859.00, Golf Tournament Receipts of $58,736.00, and Booster Contributions of $2,050.00.

During the same six-month period, the fund paid golf tournament expenses of $25,106.04 and miscellaneous expense of $.50. These transactions created an available cash balance for charitable purposes and for future operations of $55,637.79.

The Canadian fund had available cash as of July 1, 2011, of $4,974.43. The collections for the six-month period ended December 31, 2011, totaled $39,225.44. These receipts consisted of General Contributions of $50.10, Local Union Contributions of $31,000.00, Interest Income of $.34, Golf Tournament Receipts of $6,875.00, and Booster Contributions of $1,300.00.

During the period, the fund incurred miscellaneous administrative expenses of $913.62. As a result, the fund had available for contributions and future operations $43,286.25. The annual contributions to Dr. John Roder of Mount Sinai Hospital, Toronto, ON, to further assist his ongoing MS research efforts, and the MS Society of Canada Research Fund were pending at the close of this period.

Complete financial statements covering the period of July 1, 2011, through December 31, 2011, for both the U.S. and Canadian MS Research Funds were provided to the General Executive Board.

Special Recognition

Special recognition must again go to the officers and members of Local Union 113 (Toronto, ON); their generous donation of $30,000.00 will go a long way in the fight against MS. Special mention is also due to the officers and members of the Boston Carmens Local Union 589; the New Jersey Council; and Local Union 1181 (New York, NY); for their sizeable contributions.

INTERNATIONAL SECRETARY-TREASURER’S ANNUAL FINANCIAL REPORT ADOPTED

Upon motion duly made and seconded, the Report of the International Secretary-Treasurer, July 1, 2010 – June 30, 2011, was adopted.

MOTION TO SUPPORT “OCCUPY WALL STREET”

Upon motion duly made and seconded the General Executive Board expressed its support for the Occupy Wall Street movement and ATU participation in Occupy Wall Street activities in the cities, states and provinces with ATU members.

GENERAL DISCUSSION

The remainder of the session was devoted to discussions among the international executive officers and members of the Board on ATU’s expanded field and training programs, and legislative and political activities in response to adverse state legislation.

The meeting adjourned at 5:00 p.m. to reconvene at 9:00 a.m. Tuesday, October 18, 2011.

SECOND SESSION

The meeting convened at 9:00 a.m. on Tuesday, October 18, 2011. Board members present were Rodney Richmond, Javier Perez, Jr., Richard Murphy, Bob Hykaway, Charles Cook, William McLean, Janis Borchardt, Paul Bowen, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, Gary Johnson, Robin West, John Costa, and Charles Watson. International President Lawrence J. Hanley presided.

Also in attendance were International Executive Vice President Robert H. Baker, Sr., International Secretary-Treasurer Oscar Owens, General Counsel Robert Molofsky, and Executive Assistant to the International President Lauri Straughan.

In addition, Assistant to the International Secretary Treasurer Doreen Price, and Assistant to the
International Executive Vice President Missy Goode, attended as guests.

International Vice President Larry Kinnear was excused.

INTRODUCTORY REMARKS

International President Hanley discussed the background and campaigns advanced by the California Nurses Association scheduled to address the Board, and agenda for the day’s meeting.

APPEALS TO THE GENERAL EXECUTIVE BOARD

Appeal No. 1: Mary Springfield
Local Union 26 (Detroit, MI)

There came before the General Executive Board, an appeal by Local 26 Financial Secretary Mary Springfield, which contested the March 10, 2011, decision of International President Larry Hanley, overturning the local union’s decision on certain election challenges and directing the rerun of local elections held in May 2010.

Sister Springfield, accompanied by Local 26’s current President Henry Gaffney, appeared before the General Executive Board and provided a full explanation of her concerns involving the appeal. Upon a thorough explanation of all the facts and issues raised, the General Executive Board voted to uphold the decision of International President Larry Hanley.

PRESENTATION BY ROSEANN DE MORO, EXEC DIRECTOR, CALIFORNIA NURSES ASSOC. / NAT'L NURSES ORGANIZING COMMITTEE, EXEC DIRECTOR, NAT'L NURSES UNITED

De Moro presented a well-received review of her progressive union’s approach to organizing and implementing its economic and political training programs. She emphasized the need for continuous member education and training on tools for action. Upon the conclusion of her presentation, members of the General Executive Board engaged in extensive discussion to better understand the success of her union’s approach and its application to ATU in terms of structure, budgeting, and setting priorities.

REPORT OF THE INTERNATIONAL SECRETARY-TREASURER ON ATU-COPE (APPROVED)

ATU-COPE (Financial)

The Amalgamated Transit Union Committee on Political Education (ATU-COPE) program collects voluntary contributions from ATU members for the purposes of making contributions to and expenditures for candidates for federal, state and local offices and addressing federal, state and local political issues.

A complete financial report has been provided in a separate report.

Between January 1, 2011 and June 30, 2011, ATU-COPE took in contributions totaling $447,313.03. As of June 30, 2011, the funds had a combined available balance of $449,013.33.

REQUESTS FOR FINANCIAL ASSISTANCE

Local 580 (Syracuse, NY)

Tyrone Burke, financial secretary/business agent of Local 580, requested financial assistance due to escalating litigation expenses and attorney’s fees resulting from lawsuits brought against Local 580, by former members. He also states the local incurred expenditures of over $100,000 pursuing this matter, of which, they have repaid approximately $37,000.

The General Executive Board, after careful review and consideration of the facts, voted to authorize providing financial assistance to Local 580 in the form of a grant in the amount of $5,000.

Local 1145 (Binghamton, NY)

David M. Snitchler, financial secretary-treasurer of Local 1145, requested financial assistance due to expenses incurred while organizing Cisco Transportation, a sub-contractor for Broome County Department of Public Transportation, which resulted in a financial loss due to the failure of the other party to negotiate in good faith.

The General Executive Board, after careful review and consideration of the facts, voted to authorize providing financial assistance to Local 1145, in the form of a grant in the amount of $5,000.
Local 998 (Milwaukee, WI)

Alan Simonis, president/business agent of Local 998, requested financial assistance with regard to legal bills associated with an arbitration case to defeat a decertification petition filed by five objectors.

The General Executive Board, after careful review and consideration of the facts, voted to grant authority to the international executive officers to grant whatever assistance they deem appropriate after Local 998 forwards a more complete record of its revenues and disbursements.

Local 1591 (Broward County, FL)

April Johnson Williams, president/business agent of Local 1591, requested financial assistance in the form of “no per capita for six months,” due to legal fees, a decrease in union membership as a result of county layoffs, furlough days, contract negotiations and paying the ex-president who had not been paid for the fiscal years of 2009 and 2010.

The General Executive Board, after careful review and consideration of the facts, voted to deny providing financial assistance, in the form of a “six months waiver of per capita,” to Local 1591.

Local 1576 (Everett, WA)

Kathleen M. Custer, president/business agent of Local 1576, requested financial assistance due to expenses incurred while successfully organizing a contract with First Transit. She is also requesting financial assistance with future organizing campaigns the local is planning to pursue with a public transit group with 150+ potential members.

The General Executive Board, after careful review and consideration of the facts, voted to grant authority to the international executive officers to grant whatever assistance they deem appropriate after Local 1576 forwards a more complete record of its revenues and disbursements.

INTERNATIONAL PRESIDENT’S REPORT ADOPTED

Upon motion duly made and seconded, the Report of the International President for the six-month period ending June 30, 2011, was approved as printed.

INTERNATIONAL EXECUTIVE VICE PRESIDENT’S REPORT ON ORGANIZING

Efforts to organize workers in transportation-related industries and other areas, as designated by the General Executive Board pursuant to Section 1 of the International Constitution and General Laws, continued over the course of these six months.

Under the direction and supervision of International Executive Vice President Baker, the International led or assisted in the successful organizing of 675 paratransit employees, and 150 school bus drivers and matrons into Local 1181 (New York, NY); 100 school bus drivers into Local 788 (St. Louis, MO); 60 drivers, mechanics, service workers and dispatchers into Local 1091 (Austin, TX); 31 fire fighters and service workers into Local 618, (Providence, RI); 15 drivers into Local 1324 (Savannah, GA); and 10 clerks and office staff into Local 1576 (Tacoma, WA).

During and at the end of the period, the International was involved in campaigns to organize over 1400 employees, at 14 different properties. During this period there were no decertification elections or raids. The strike in Local 1462 (St. John's, NL) ended after an agreement was reached on all outstanding issues with the St. John’s Transportation Commission.

Internal Organizing During the Period

Concentrated efforts were made in the right to work state of Florida, to increase the overall unit membership numbers. This campaign successfully added over 350 new members in Locals 1395 (Pensacola, FL), 1464 (Tampa, FL), 1577 (West Palm Beach, FL), 1579 (Gainesville, FL), 1591 (Broward County, FL), 1593 (Tampa, FL), and 1596 (Orlando, FL).

Decertification Petitions During the Period

There were no decertification petitions/elections during the period.

Raids

There were no raids during the period.
**Strikes**

Local 1462 (St. John’s, NL) – On January 27, 2011, a strike by Local 1462 ended after an agreement was reached on all outstanding issues with the St. John’s Transportation Commission. The membership voted to ratify the agreement, thus ending the 12-week strike.

**Expenses**

Approximately $204,049 was spent during this report period on organizing. This figure includes the salaries and expenses for the Organizing Department and lost time and miscellaneous expenses for the member organizers. It also includes full-time international representatives’ salaries and expenses for those who assisted in these organizing campaigns. Local union members assigned to assist with these drives were reimbursed by the International for their wages and expenses incurred.

**GENERAL DISCUSSIONS**

The remainder of the session was devoted to discussions among the international executive officers and members of the Board. The meeting adjourned at 5:00 pm to reconvene at 9:00 a.m. Wednesday, October 19, 2011.

**THIRD SESSION**

The meeting convened at 9:00 a.m. on Wednesday, October 19, 2011. Board members present were Rodney Richmond, Javier Perez, Jr., Richard Murphy, Bob Hykaway, Charles Cook, William McLean, Janis Borchardt, Paul Bowen, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, Gary Johnson, Robin West, John Costa, and Charles Watson. International President Lawrence J. Hanley presided.

Also in attendance were International Executive Vice President Robert H. Baker, Sr., International Secretary-Treasurer Oscar Owens, ATU Counsel Robert Molofsky, and Executive Assistant to the International President Lauri Straughan.

In addition, Assistant to the International Secretary-Treasurer Doreen Price, and Assistant to the International Executive Vice President Missy Goode, attended as guests.
Assistant to the International Executive Vice President Missy Goode, attended as guests.

Also in attendance were International Representatives Anthony Withington, Dennis Antonellis, Stephan MacDougall and Canadian Council Director Stan Dera.

Special guests in attendance were Trip McLaughlin, senior vice president, Morgan Stanley and Angela Davis, partner, Quorum Consulting Group.

International Vice President Larry Kinnear and International Representative Claudia Hudson were excused.

GOVERNMENT AFFAIRS DEPARTMENT REPORT

Jeff Rosenberg, director of the Government Affairs Department, reported to the Board on the recent federal and state legislative developments and political activities of ATU and the current status and prospects for passage of the American Jobs Act and the federal surface transportation bills. Special attention was given to the recent introduction of the Local Flexibility for Transit Assistance Act, the so-called “Carnahan Bill,” to give transit agencies flexibility to use federal funds for operating assistance.

The Board members engaged in an extensive discussion on how best to work with ATU locals to secure support among targeted members, especially Republicans to co-sponsor the bill. Additional discussion was held on the intercity bus sector anti-fatigue campaign to secure support for amendments to apply the federal overtime requirements under the Federal Labor Standards Act (FLSA) to address this problem. Finally, Rosenberg addressed pending state bills that would impact ATU and the 2012 political landscape.

REPORT ON 401(K) PLANS

Trip McLaughlin, senior vice president, Morgan Stanley, and Angela Davis, partner, Quorum Consulting Group reported to the Board on the status of ATU sponsored retirement plans, the number of participating employers, the number of participating employees, and the value of assets held in the plans. At the close of this period, there were a total of 119 employers across the United States enrolled in an ATU retirement plan and 5043 participants.

There was a 4% increase in the total amount of assets invested in ATU-sponsored retirement plans, which totaled $75 million at the conclusion of the reporting period.

REPORT ON LOCAL 1593 (TAMPA, FL) TRUSTEESHIP

International Vice President Rivera reported on the ongoing process to address the serious financial and administrative issues underlining the trusteeship of Local 1593. Rivera reviewed with the Board the continuing efforts to settle a pending $175,000 judgment against the local, ensuing from a DFR case decision issued by the Florida PERC, and subsequently enforced in state court. He reported that resolution of this matter was essential to prevent the financial insolvency of the local.

REPORT ON LOCAL 241 (CHICAGO, IL) TRUSTEESHIP

International Vice Presidents Javier Perez and Marcellus Barnes presented a detailed summary of their ongoing efforts to address the significant financial, administrative, and organizational issues underlining the trusteeship of Local 241. Through a detailed PowerPoint presentation, they reviewed their progress to the date, and discussed ongoing plans and programs to provide training, establish financial controls, and prepare for upcoming negotiations.

GENERAL DISCUSSIONS

The remainder of the session was devoted to discussions among the international executive officers and members of the Board. The meeting adjourned at 5:30 p.m. to reconvene at 9:30 a.m. on Friday, October 21, 2011.

FIFTH SESSION

The meeting convened at 9:00am on Friday, October 21, 2011. Board members present were Rodney Richmond, Javier Perez, Jr. Richard Murphy, Bob Hykaway, Charles Cook, William McLean, Janis Borchardt, Paul Bowen, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, Gary...
Johnson, Robin West, John Costa, and Charles Watson. International President Lawrence J. Hanley presided. Also in attendance were International Executive Vice President Robert H. Baker, Sr., International Secretary-Treasurer Oscar Owens, General Counsel Robert Molofsky, and Executive Assistant to the International President Lauri Straughan.

In addition, Assistant to the International Secretary-Treasurer Doreen Price, and Assistant to the International Executive Vice President Missy Goode, attended as guests.

Also in attendance were International Representatives Anthony Withington, Dennis Antonellis, Stephan MacDougall, and Canadian Council Director Stan Dera.

International Vice-President Larry Kinnear and International Representative Claudia Hudson were excused.

**MOTION TO BRING LOCAL OFFICERS UP ON CHARGES FOR MISUSE OF FUNDS**

Original motion was on Local 241 (Chicago, IL), and then amended to apply to all locals where executive officers determine that there has been misuse of funds or theft by local officers.

Motion was made for executive officers to take appropriate action to charge local officers for misuse of funds in cases where the local takes no action.

**REPORT AND MOTION TO TERMINATE 1385 (DAYTON, OH) TRUSTEESHIP**

International Vice Presidents Richmond and Johnson reported on the progress and accomplishments achieved with respect to the financial, representational, and administrative issues of Local 1385, including bylaws and election of officers.

Thereafter, the members of the General Executive Board, pursuant to 12.6 of the Constitution and General Laws, voted to authorize the termination of the trusteeship of Local 1385.

**STRIKE SANCTIONS**

Upon the request of International Vice President Murphy, the General Executive Board granted strike sanction to the members of Local 1512 (Springfield, MA) employed by Peter Pan Bus Lines, Inc.

**REPORT OF THE GENERAL COUNSEL**

General Counsel Molofsky reported to the Board on major litigation developments, Section 13(c) case processing of U.S. transit grants and related Section 13(c) litigation. The Board was also fully briefed on ongoing efforts to enforce Section 13(c) protections in response to state legislative attacks on transit and other public employee collective bargaining rights, including legislation arising in Florida, Indiana, Massachusetts, Michigan, Ohio, and Wisconsin. The ongoing Section 13(c) negotiations/arbitration to protect Local 1091 (Austin, TX) members’ collective bargaining rights, pension and health care benefits, following an anticipated transfer of employment from Star-Tran to another private contractor was also reviewed.

Notably, the Legal Department processed an impressive total of 1,122 grant applications involving some 143 ATU local unions and the New Jersey Council during this reporting period.

The final settlement and implementation of terms resolving the ATU case on behalf of represented employees of First Transit and First Student, in response to the improper use of criminal background checks in violation of the due process safeguards of the *Fair Credit Reporting Act*, were reviewed in detail. The specific terms of the settlement agreement, which requires the companies to stop their unlawful use of background checks, and to pay $5.9 million to eligible class members and their attorneys was also discussed.

Further, the Board reviewed a recent agreement entered into between the International, First Transit, Inc., and First Student, Inc., in September 2011, to address the scope and use of investigative background checks consistent with the recent settlement of the parties’ litigation on these issues. In particular, the Board reviewed copies of a memorandum provided by the International to all ATU local unions, setting forth the parameters under which their employers
would conduct background checks on current and new employees, limited only to the information required by federal or state law, while otherwise preserving employee and local union rights to grieve any adverse actions taken as a result of such checks.

The Board was also briefed on yet another federal court action, alleging the International Union breached its duty of fair representation in connection with various work related grievances involving a member of Local 282 (Rochester, NY), under Title 7 of the Civil Rights Act of 1964. It was expected that this case would be dismissed following a position statement submitted by the International Union, stating that no legal action could be brought properly against the Union because it never served as the plaintiff's exclusive bargaining agent.

The Board also reviewed the successful conclusion of litigation involving Trentway Wager and Local 1624 (Peterborough, ON), involving assignment of work issues and a required amended certification.

The Board was also advised of the ultimately unsuccessful conclusion of a lawsuit brought by retained counsel on behalf of Local 1181 (New York, NY). Therein, we contended that longstanding employee protection provisions should be applied to the bidding of certain early education transportation service contracts involving ATU-represented employees.

With respect to Section 13(c) issues and state legislation enacted during this reporting period, the Board was advised of the ongoing efforts involving Local 589 (Boston, MA), to address state legislation that abolished the health care plan for MBTA employees, and transferred both active and retiree members to a plan administered by the state's General Insurance Commission (GIC).

Successfully arguing that this mandate adversely affected the employees' health care benefits and also precluded bargaining over such issues in violation of Section 13(c), we successfully obtained an order from the U.S. Department of Labor, directing the parties to negotiate a mutually acceptable resolution of the outstanding health care issues. This matter was pending at the close of this reporting period.

With respect to a new Ohio law limiting collective bargaining rights of public employees to wages while excluding health care, sick time, or pension benefits issues, ATU successfully secured a determination from the Department that the new law as drafted does not adversely affect transit employees' collective bargaining rights under applicable Ohio statutes.

In Wisconsin, after asserting Section 13(c) rights, the final legislation excluded transit employees from the Act's provisions, which limited public sector collective bargaining to wages, capped increases to the consumer price index, and limited contract duration, among other adverse provisions.

Finally, the Board was briefed on various Section 13(c) claims activities involving Local 1560 (New Orleans, LA), resolving certain “contractor-to-contractor” issues upon the transition to a new employing agency on the Regional Transit Authority's bus and light rail system.

Similarly, a settlement involving the transition to a new public-private partnership arrangement affecting Chatham Area Transit and Veolia was successfully resolved through a negotiated settlement on behalf of members represented by Local 1324 (Savannah, GA).

Finally, the Board was briefed on a series of continuing Section 13(c) cases involving Local 398 (Boise, ID); Local 382 (Salt Lake City, UT); and Local 19 (Colorado Springs, CO).

MOTION TO REIMBURSE EXPENSES FOR EQUIPMENT AND SUPPLIES UP TO $500 ANNUALLY

Upon motion duly made and seconded, the members of the General Executive Board approved effective November 1, 2011, covering international vice president and international representative's expenses for equipment and supplies, up to a maximum of $500.00 annually.

MOTION TO EXTEND COPE-PLUS THROUGH DECEMBER 31, 2012.

Upon motion duly made and seconded, members of the General Executive Board approved the continuation of the ATU COPE-PLUS program through December 31, 2012.

GENERAL DISCUSSIONS

The remainder of the session was devoted to discussions among the international executive officers and members of the Board.

The meeting adjourned sine die at 12:30 pm.
The General Executive Board was briefed on the status of Local 1593’s trusteeship and the difficult options facing the local to settle the Miron case, then valued at $176,000. Local 1593 Trustee Rivera requested financial assistance of up to $25,000 to pay the retainer for bankruptcy attorneys to be retained by the local. By majority vote the General Executive Board on February 14, 2012, authorized up to $25,000 in financial assistance to the local to cover the legal costs to prepare for and, if necessary, to file for bankruptcy.

The General Executive Board, after presentation by International President Hanley, summarizing options for holding the 2016 Convention at the Mirage, Las Vegas, NV, or the Sheraton Centre in Toronto, ON, noting similar cost factors, and the fact that the last Convention in Canada was in 2001, by majority vote on February 14, 2012, decided to hold the 2016 Convention at the Toronto Sheraton Centre in Toronto, ON.

International President Hanley reviewed the Board agenda for the week, including scheduled speakers. He then presented a summary of activities over the period and plans for educating and training international and local officers, and members to strengthen local involvement in building community-based and ridership coalitions in support of improved transit service, increased funding, contract campaigns and organizing drivers and anti-privatization initiatives.

Particular attention was given to the pending 2012 elections and ATU’s intensive planning and training programs to expand local participation in the elections and GOTV efforts. Thereafter, members of the General Executive Board engaged in a wide-ranging discussion on how best to achieve those objectives.
AUDIT COMMITTEE APPOINTED

Appointed to the Audit Committee were International Vice Presidents Bowen, Kirk, and Rauen. International Vice President Bowen was designated as chair.

PRESENTATION ON ‘US LABOR AGAINST THE WAR’ WAS GIVEN BY BOB MULLENKAMP

Co-conveners Brooks Sunkett (CWA) and Bob Muehlenkamp discussed the founding (2003) of U.S. Labor Against the War (USLAW). Its mission, as amended in 2012, is to be “the organized voice within the labor movement for peace and priorities, better to secure human needs and to demilitarize U.S. foreign policy.” In the face of rising deficits, and urgent needs for increased expenditures at home, the ULSAW today is continuing its activities to better direct its nation's resources toward unmet domestic needs.

The international executive officers and members of the Board expanded on the previous discussion of U.S. Labor Against the War.

MOTION APPROVED TO JOIN ‘U.S. LABOR AGAINST THE WAR’ AND MAKE A ONE-TIME CONTRIBUTION OF $5,000.00

Upon motion duly made and seconded, the members of the General Executive Board approved joining the USLAW and making a one-time contribution of $5,000.00, in support of its ongoing campaigns.

LOCAL UNION ADMINISTRATION

The international executive officers and members of the Board discussed financial reports, misappropriations of union funds, and lost time at local unions.

REPORT OF THE INTERNATIONAL SECRETARY-TREASURER ON ATU MS RESEARCH

The 26th annual golf tournament, jointly sponsored by the ATU MS Research Funds of the United States and Canada, was held on Monday, September 26, 2011, at Musket Ridge Golf Club in Myersville, MD, preceded by the "practice round" on Sunday, November 25. The results of this period's efforts are as follows:

The U.S. fund had as of July 1, 2011, available cash of $4,504.82. The collections during the six-month period ended December 31, 2011, amounted to $76,239.51. These receipts were as follows: General Contributions of $2,594.51, Local Union Contributions of $12,859.00, Golf Tournament Receipts of $58,736.00, and Booster Contributions of $2,050.00.

During the same six-month period, the fund paid golf tournament expenses of $25,106.04. These transactions created an available cash balance for charitable purposes and for future operations of $55,637.79. The annual contribution to the National Multiple Sclerosis Society was pending at the end of this period.

The Canadian fund had available cash as of July 1, 2011, of $4,974.43. The collections for the six-month period ended December 31, 2011, totaled $39,225.44. These receipts consisted of General Contributions of $50.10, Local Union Contributions of $31,000.00, Interest Income of $.34, Golf Tournament Receipts of $6,875.00, and Booster Contributions of $1,300.00.

During the period, the fund incurred miscellaneous administrative expenses of $913.62. As a result, the fund had available for contributions and future operations $43,286.25. The annual contributions to Dr. John Roder of Mount Sinai Hospital, Toronto, ON, to further assist his ongoing MS research efforts, and the MS Society of Canada Research Fund were pending at the close of this period.

Special Recognition

Special recognition must again go to the officers and members of Local Union 113 of Toronto, ON. Their generous donation of $30,000 will go a long way in the fight against MS. Special mention is also due to the officers and members of the Boston Carmens Local Union 589, the New Jersey Council, and Local 1181 (New York, NY), for their sizeable contributions.
Upon motion duly made and seconded, the Report of the International Secretary-Treasurer on ATU MS Research was approved by the General Executive Board.

CONTRIBUTIONS FROM THE INTERNATIONAL SECRETARY-TREASURER’S ACCOUNT APPROVED

Upon motion duly made and seconded, the General Executive Board approved the contributions from the International Secretary-Treasurer’s account for the period of July 1, 2011 – December 31, 2011. Additional information on “Labor’s Campaign for Single Payer (LCS-P) was requested for review.

GENERAL DISCUSSIONS

The remainder of the session was devoted to discussions among the international executive officers and the members of the Board on the bankruptcy of Local 1593. The meeting adjourned at 5:00 p.m. to reconvene at 9:00 a.m. on Wednesday, March 7, 2012.

SECOND SESSION

The meeting convened at 9:00 a.m. on Wednesday, March 7, 2012. General Executive Board members present were Rodney Richmond, Larry Kinneer, Javier Perez, Jr., Richard Murphy, Bob Hykaway, Charles Cook, Janis Borchardt, Paul Bowen, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, Gary Johnson, Robin West, John Costa, and Charles Watson. International President Lawrence J. Hanley presided.

Also in attendance were International Executive Vice President Robert H. Baker, Sr., International Secretary-Treasurer Oscar Owens, General Counsel Robert Molofsky, and Executive Assistant to the International President Lauri Straughan. In addition, Assistant General Counsel Dan Smith was present.

International Vice President William McLean was excused.

APPEALS TO THE GENERAL EXECUTIVE BOARD

Appeal No. 1: Pamela Diederich
Local Union 1737 (Douglas County, CO)

There came before the General Executive Board, an appeal by Pamela Diederich, a member of Local 1737 (Douglas County, CO), which contested the May 22, 2011, decision of International President Hanley. Therein, President Hanley denied Sister Diederich’s appeal regarding her challenge to her termination case.

Sister Diederich presented her case by conference call via speakerphone, before the General Executive Board and provided a full explanation of her concerns involving the appeal.

Upon a thorough explanation of all the facts and issues raised, the General Executive Board voted to uphold the decision of International President Larry Hanley.

Appeal No. 2: Phillip William
Local Union 1181 (New York, NY)

There came before the General Executive Board, an appeal by Phillip Williams, a member of Local 1181 (New York, NY), which contested the October 27, 2011, decision of International President Hanley. Therein, President Hanley denied Brother Williams’ appeal regarding his challenge to his termination case.

Brother Williams made a personal appearance before the General Executive Board and provided a detailed summary of the issues, facts and circumstances underlying his appeal.

Upon a thorough deliberation of all the facts and evidence in this case, the General Executive Board voted to uphold the decision of International President Hanley.

MINUTES OF FALL 2011 GENERAL EXECUTIVE BOARD MEETING APPROVED

Upon motion duly made and seconded, the minutes of the previous General Executive Board Meeting held October 17 - 21, 2011, were approved as submitted.

REPORT ON LOCAL 1593 (TAMPA, FL) TRUSTEESHIP

International Vice President Rivera reported on the ongoing process to address the serious financial and administrative issues underlining the trusteeship of Local 1593. Rivera reviewed with the Board the status of pending efforts to address the local’s administrative, financial and legal issues and scheduled elections. He updated the Board on the potential to settle the
bankruptcy litigation subject to further consideration by the Board.

**REPORT ON LOCAL 241 (CHICAGO, IL) TRUSTEESHIP**

International Vice Presidents Perez and Barnes presented a detailed summary of their ongoing efforts to address the significant financial, administrative, and organizational issues underlying the trusteeship of Local 241. They reviewed their progress to date, and discussed ongoing preparations and meetings to negotiate a new collective bargaining agreement.

**REPORT ON LOCAL 1385 (DAYTON, OH) TRUSTEESHIP**

International Vice Presidents Richmond and Johnson presented a comprehensive report on the progress to address all outstanding issues in the trusteeship of Local 1385.

**INTERNATIONAL PRESIDENT’S REPORT ADOPTED**

Upon motion duly made and seconded, the Report of the International President for the six-month period ending December 31, 2011, was approved with edits to page 21, striking the reference to First Transit, under listing for Local 1336; and amending reference to Local 1229 (St. John, NB) on page 22 to reflect that it was a lockout.

**MOTION APPROVED TO TERMINATE TRUSTEESHIP OF LOCAL 878 (EVANSVILLE, IN)**

Upon motion duly made and seconded, the General Executive Board voted to terminate the trusteeship of Local 878 immediately following completion of pending reports and other filings.

**REPORT ON CONTRACT CAMPAIGNS AND STRIKE PREPARATION PROCESS – SUMMARY MEMO AND QUESTIONNAIRE TO BE SENT TO ALL ATU LOCALS**

International President Hanley presented and the General Executive Board discussed enhanced procedures and planning efforts to assist locals in difficult contract campaigns, potential strike situations and compliance with the requirement set forth under Section 20.

*Strike and Lockout Procedures from the Constitution and General Laws*

A memo outlining the procedures to be followed by local unions in such situations was reviewed for distribution to all ATU locals. The “ATU Strike Preparation Questionnaire” to assist locals focused on the required notifications to the International and appropriate agencies, a “power analysis” of the bargaining situation, member mobilization assessment and plans, community allies, messaging and public communications and potential for a successful strike. It was agreed that an edited version of the memo and questionnaire should be sent to all ATU locals.

**REQUESTS FOR FINANCIAL ASSISTANCE**

**Local 1374 (Calgary, AB)**

Gary Galbreath, president/business agent of Local 1374, requested financial assistance in the form of six (6) months waiver of per capita tax, due to financial costs associated with the local’s five (5) pending arbitration cases.

The General Executive Board, after careful review and consideration of the facts, voted to authorize providing financial assistance to Local 1374, in the
form of a grant of three (3) month’s waiver of per capita tax.

Local 1625 (Buffalo, NY)

Ronald Andrzejewski, president/business agent of Local 1625, requested financial assistance in the form of three (3) months waiver of per capita tax, due to the local’s past due bills and back taxes owed to the Internal Revenue Service.

The General Executive Board, after careful review and consideration of the facts, voted to authorize providing financial assistance to Local 1625, in the form of a grant of three (3) month’s waiver of per capita tax.

Local 1637, (Las Vegas, NV)

Jeffrey Raske, financial secretary of Local 1637, requested financial assistance due to exorbitant legal expenses incurred by the local. He also states, the local has outstanding legal bills for arbitrators in the amount of $1,875.00 and legal counsel in the amount of $17,222.18.

The General Executive Board, after careful review and consideration of the facts, voted to deny providing financial assistance to Local 1637.

GENERAL DISCUSSION

The remainder of the session was devoted to discussions among the international executive officers and members of the Board. The meeting adjourned at 5:00 p.m. to reconvene at 9:00 a.m. on Thursday, March 8, 2012.

THIRD SESSION

The meeting convened at 9:00 a.m. on Wednesday, March 7, 2012. General Executive Board members present were Rodney Richmond, Larry Kinnear, Javier Perez, Jr., Richard Murphy, Bob Hykaway, Charles Cook, Janis Borchardt, Paul Bowen, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, Gary Johnson, Robin West, John Costa, and Charles Watson. International President Lawrence J. Hanley presided.

Also in attendance were International Executive Vice President Robert H. Baker, Sr., International Secretary-Treasurer Oscar Owens, General Counsel Robert Molofsky, and Executive Assistant to the International President Lauri Straughan.

International Vice President William McLean was excused.

GENERAL DISCUSSION

The international executive officers and members of the Board engaged in discussions regarding “Occupy Boston - the National Day of Action on Transit”, on April 4, 2012.

MOTION TO CONTINUE TO SUPPORT THE OCCUPY WALL STREET MOVEMENT AND ITS CALL FOR AN APRIL ‘DAY OF ACTION’

Following a full discussion of the Occupy Movement’s activities to date, support for transit and other objectives, upon motion duly made and seconded, the members of the General Executive Board voted to support Occupy’s continuing activities, its “call for action” scheduled for April 2012, and to encourage ATU members to join in their campaigns.

REPORT OF THE INTERNATIONAL SECRETARY-TREASURER ON ATU-COPE APPROVED

Upon motion duly made and seconded the members of the General Executive Board approved the following report on ATU-COPE.

ATU-COPE (Financial)

The Amalgamated Transit Union Committee on Political Education (ATU-COPE) program collects voluntary contributions from ATU members for the purposes of making contributions to and expenditures for candidates for federal, state and local offices and addressing federal, state and local political issues.

A complete financial report has been provided in a separate report.

Between January 1, 2011, and December 31, 2011, ATU-COPE took in contributions totaling $981,112.63. As of December 31, 2011, the funds had a combined available balance of $613,153.45.
INTERNATIONAL EXECUTIVE VICE-PRESIDENT’S REPORT ON ORGANIZING APPROVED

Upon motion duly made and seconded, the members of the General Executive Board approved the International Executive Vice President’s Report on Organizing.

Efforts to organize workers in the transportation-related industry and other areas, as designated by the General Executive Board pursuant to Section 1 of the International Constitution and General Laws, continued over the course of these six months.

Decertification Petitions/Raids During the Period

Local 241 (Chicago, IL) – A group of former Local 241 officers, who had been displaced by the trusteeship, gathered petitions to decertify Local 241 and recertify as Teamsters. The IBT honored our no raid agreement and the petitions were never filed.

Local 381 (Butte, MT) – A petition was filed with the National Labor Relations Board (NLRB) to decertify the local union as the bargaining representative for some 60 employees of First Student Inc., servicing the Bozeman School District. Charges subsequently filed by the local with the NLRB were dismissed. However, shortly after the close of the reporting period the union prevailed in the decertification election.

Local 1309 (San Diego, CA) – A petition was filed with the NLRB to decertify the local union as the bargaining representative for some 115 employees of Veolia Transportation Inc., at the El Cajon property. The IBT intervened and attempted to raid the property. Concentrated efforts were made to ensure that ATU continued as the bargaining representative. As a result, the IBT withdrew their petition and shortly thereafter, the petition filed for decertification was also withdrawn. To date, no further action to raid or decertify the local has been reported.

Strikes

Local 113 (Toronto, ON) - At 12:00 a.m. on Monday, October 24, 2011, members of Local 113 employed by Veolia Transportation, Inc. (York Region Transit-Viva Bus) went on strike when an agreement could not be reached in contract negotiations. The strike was still in effect at the close of this period.

Local 1587 (Toronto, ON) – At 12:00 a.m. on Monday, October 24, 2011, members of Local 1587 employed by First Student Canada and Miller Transit (York Region Transit) went on strike when an agreement could not be reached in contract negotiations. The strike was still in effect at the close of this period.

Local 1229 (Saint John, NB) – the members of Local 1229, who are employed by Acadian Coach Lines, went on strike Friday, December 2, 2011, when an agreement could not be reached in contract negotiations. The strike was still in effect at the close of this period.

Expenses

Approximately $253,137.00 was spent during this report period on organizing. This figure includes the salaries and expenses for the Organizing Department and lost time and miscellaneous expenses for the member organizers. It also includes full-time international representatives’ salaries and expenses for those who assisted in these organizing campaigns. The International reimbursed the local union members assigned to assist these drives for their wages and expenses incurred.

REPORT ON AMERICANS FOR TRANSIT

International President Hanley introduced Greg Leroy, executive director of Good Jobs First, to discuss the formation, mission, structure and financing of the newly formed non-profit “Americans for Transit, Good Jobs First,” a nationally recognized resource center promoting accountability in economic development and smart growth for working families.

Americans for Transit’s mission is to strengthen, create, and unite grassroots transit rider organizations across the United States. It aims to create a big-tent coalition of transit riders and advocates addressing the pressing transit funding crisis in America.

Leroy advised that Andrew Austin is the executive director of Americans for Transit. He previously served as the field director at Transportation Choices, in Washington State, where he led numerous transit ballot measures and rider organizing campaigns.

President Hanley discussed how the new organization would be an invaluable resource to assist ATU locals and communities in establishing effective coalitions to advance a pro-transit/pro-labor agenda.
MOTION WAS APPROVED TO CONTRIBUTE TO AMERICANS FOR TRANSIT

Upon motion duly made and seconded, the members of the General Executive Board voted to approve a $100,000 contribution to Americans for Transit.

REPORT ON THE AFFORDABLE CARE ACT

AFSCME health policy experts, Sally Tyler and Mary Meeker, presented a comprehensive summary of the Act, its requirements and applicability to both existing collective bargaining agreements and future negotiations. Thereafter, the members of the General Executive Board engaged in a wide-ranging discussion about the impact of the new law on existing health care plans, costs and negotiations.

DISCUSSION ON ATU STRUCTURAL EXPLORATION COMMITTEE

International President Hanley and the members of the General Executive Board, discussed various approaches to implement Resolutions A and R, approved by the delegates to the 2010 ATU Convention, calling for the appointment of a special committee to review and develop recommendations for potential changes to the Constitution and General Laws on ATU dues structure, internal organization, organizing and representation functions and methods of operations. The Board agreed that ongoing efforts to address these matters should continue with ideas and information solicited from a diverse range of local union officers, Board members, staff and outside experts.

AUDIT COMMITTEE’S REPORT ADOPTED

After discussion, a motion was duly made and seconded, by the members of the General Executive Board to approve the report of the Audit Committee for the six-month period ended December 31, 2011.

INTERNATIONAL VICE PRESIDENT RODNEY RICHMOND ANNOUNCES HIS RETIREMENT

International Vice President Richmond announced his retirement affective July 1, 2012. Richmond, who was first elected to the position at the 1986 Convention, thanked the executive officers and board members for their support and friendship, and for the privilege to represent the members of ATU. International Vice President Richmond received a standing ovation.
reporting requirements under the Labor Management Reporting and Disclosure Act of 1959, as amended.

In addition to reviewing obligations for filing LM2 reports and bonding requirements, he discussed the fiduciary standards and responsibilities expected of local union officers and members of the local executive boards. He further reviewed the range of technical assistance, web-based information and training offered by his office to assist unions in complying with the law. He concluded by recommending the distribution of uniform expense, credit card, lost time payment and bylaw provisions, to give guidance to locals to insure proper internal financial and expense controls.

MOTION TO INCLUDE FINANCIAL CONTROLS AND EXPENSE PROVISIONS IN LOCAL UNIONS RELEASED FROM TRUSTEESHIPS

Upon motion duly made and seconded, the members of the General Executive Board approved a motion consistent with authority granted the international president and the GEB, to include financial control, recording keeping and expense policy provisions in amended local union bylaws, prior to releasing local(s) from trusteeship.

MINUTES APPROVED FOR THE SPECIAL TELECONFERENCE MEETING OF THE GENERAL EXECUTIVE BOARD ON FEBRUARY 14, 2012

Upon motion duly made and seconded, the members of the General Executive Board approved the minutes of the special teleconference meeting of the GEB held on February 14, 2012, to discuss settlement of the pending bankruptcy case involving Local 1593 (Tampa, FL). The minutes of the teleconference meeting also included reference to the approved motion to hold the 2016 Convention in Toronto, ON.

PRESENTATION ON JOINT ATU/ TWU ASSAULT AND BATHROOM BREAK COMMITTEE

Dave Newman, industrial hygienist, with NYCOSH and Ed Watt, TWU director of safety programs, presented a summary of the recent activities of the Joint ATU/TWU Assault and Bathroom Break Committee. It was formed in response to rising attacks on transit workers and to address inadequate facilities and schedules to allow sufficient time to use appropriate facilities.

They reported on its ongoing efforts to conduct comprehensive research among the local unions, develop recommended action plans at the federal, state and local level, and disseminate information on the scope of the problems and the industry’s failure to address these critical health and safety issues. Newman and Watt discussed recent survey results, and pending efforts to meet with officials from OSHA and DOT among others.

GOVERNMENT AFFAIRS DEPARTMENT REPORT

Jeff Rosenberg, director of the Department of Government Affairs, reported to the Board on recent federal and state legislative developments and political activities of ATU, including the current status and prospects for passage of a new multi-year federal surface transportation bill to reauthorize the Safe, Accountability, Flexible and Efficient Transportation Equity Act. Though it expired in 2009, programs have continued under a series of extensions pending approval of a new bill.

He reported on pending efforts in both the U.S. Senate and House, and our efforts to guard against onerous privatization provisions, the inclusion of workforce development programs, and ATU-led coalition efforts to establish some flexibility for transit agencies to use capital funds for operating assistance under certain conditions, to head off the rising epidemic of service cuts, fare increases and layoffs. In this regard, he discussed ongoing efforts to garner support for the so-called Carnahan Bill, introduced by Representative Carnahan, D-MO, to address the urgent need for operating assistance.

Rosenberg also reviewed the impact of various anti-labor bills passed in Wisconsin, Ohio, Michigan and other states, and the role the Federal 13(c) protections played in mitigating their impact on transit employees. He described the successful effort in Illinois to defeat pension legislation adverse to our members employed by the CTA; and continuing efforts in New York to prevent issuance of RFP’s without employee protections that would harm employees represented by Local 1181 (New York, NY).
Legislative efforts to secure additional state funding in Pennsylvania, and ongoing efforts to secure a felony assault bill in Missouri, and efforts in Rhode Island to place a union representative on the RIPTA Board were also discussed.

Continuing efforts to address safety and service issues in the over-the-road industry and ATU led efforts to address driver fatigue, which has proven to be a major cause of recent bus accidents were also discussed.

STRIKE SANCTIONS

Upon the request of International Vice President Rauen, the General Executive Board granted strike sanction to the members of Local 610 (Charleston, WV) employed by Veolia.

Upon the request of International Vice President Salazar, the General Executive Board granted strike sanction to the members of Local 381 (Butte, MT) employed by First Student.

Upon the request of International Vice President Rauen, the General Executive Board granted strike sanction to the members of Local 1577 (West Palm Beach, FL) employed by Metro Transit Services.

GENERAL DISCUSSION

The remainder of the session was devoted to discussions among the international executive officers and members of the Board. The meeting adjourned at 5:00 p.m. to reconvene at 9:00 a.m. Saturday, March 10, 2012.

FIFTH SESSION

The meeting convened at 9:00 a.m. on Saturday, March 10, 2012. General Executive Board members present were Rodney Richmond, Larry Kinnear, Javier Perez, Jr., Richard Murphy, Bob Hykaway, Charles Cook, Janis Borchardt, Paul Bowen, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, Gary Johnson, Robin West, John Costa, and Charles Watson. International President Lawrence Hanley presided.

Also in attendance were International Representatives Anthony Withington, Dennis Antonellis, Stephan MacDougall, Claudia Hudson, and Canadian Council Director Stan Dera.

International Vice President William McLean was excused.

REPORT OF THE GENERAL COUNSEL

During the reporting period of July 1, 2011, through December 31, 2011, the Legal Department continued to provide counsel and representation to the International Union and ATU locals in connection with a wide range of issues. We once again devoted considerable resources to the Section 13(c) processing of U.S. transit grants and assisted local unions and outside counsel in the ongoing administration, interpretation and enforcement of employee protections applied to federal funding assistance to public transportation services. We also handled a number of other litigation matters in which the International or its local unions were involved before the courts and administrative agencies.

Throughout the reporting period, the Legal Department otherwise responded to a multitude of inquiries concerning organizing drives, internal union elections and local officer fiduciary responsibilities, issues implicating the National Labor Relations Act, the Family and Medical Leave Act, the Fair Labor Standards Act, pension and 401(k) retirement plan rights, drug and alcohol testing requirements, and other federal, state and provincial labor law matters.

More specifically, General Counsel Molofsky reported to the Board on major litigation developments, Section 13(c) case processing of U.S. transit grants and related Section 13(c) matters. The Board was also fully briefed on ongoing efforts to enforce Section 13(c) protections in response to state legislative attacks on transit and other public employee collective bargaining rights, including legislation arising in Florida, Indiana, Massachusetts, Michigan, Ohio, and Wisconsin.

The ongoing Section 13(c) negotiations/arbitration to protect the Local 1091 (Austin, TX) members’ collective bargaining rights, pension and health care benefits, following an anticipated transfer of employment from Star-Tran to another private contractor were also reviewed.

Notably, the Legal Department processed an impressive total of 477 grant applications involving some 119
ATU local unions and the New Jersey Council during this reporting period.

Further, the Board was updated on the status and successful outcomes of ATU Section 13(c) objections filed in response to state legislative attacks undermining public employee bargaining rights in Michigan, Massachusetts and New Jersey. In both Massachusetts and Michigan the U.S. Department of Labor held that the restrictions over bargaining on mandatory subjects of bargaining (wages and benefits in MI; health care in MA) would, unless cured, prevent compliance with the affected transit employees protected and thus render the grantees in the state ineligible for federal transit funding.

Following the Department’s rulings the parties were able to address the issues raised with supplemental protections in Michigan and amended legislation in Massachusetts. Fortunately in New Jersey, the state attorney general held New Jersey transit exempt from the adverse legislation.

The Board was also briefed on the extensive efforts to protect the members of Local 1091 (Austin, TX) from adverse affects resulting from the contracting of work previously done by their long term employer, Star Tran, a private non-profit corporation formed by the Capital Metropolitan Transportation Authority, to two independent private companies.

This complex matter encompassed objections to the Department of Labor, a 13(c) claims arbitration case, and numerous unfair labor practice charges filed with the NLRB. This matter and the impact of the contracting of the fixed route service to McDonald Transit remained pending at the close of the reporting period. A detailed discussion of this case is included in the International President’s Report to the GEB.

Updates on Section 13(c) litigation managed through retained counsel involving the Greater Cleveland Regional Transit Authority and Local 268, (Cleveland, OH); the Greater Lafayette Public Transportation Corporation and Local 1741 (Lafayette, IN); the Toledo Area Regional Transit Authority and Local 697 (Toledo, OH); Mid-Ohio Valley Transit Authority and Local 1742, (Charleston, WV); City of Sioux Falls and Local 1356, (Sioux Falls, SD); Niagara Frontier Transportation Authority and Local 1342, (Buffalo, NY); Valley Regional Transit and Local 398 (Boise, ID); Utah Transit Authority and Local 382, (Salt Lake City, UT); and the City of Colorado Springs and Local 19 (Colorado Springs, CO) were provided.

Further, the Board reviewed ongoing efforts to insure continuation of longstanding employee protections in new bids contemplated by the New York Department of Education (DOE), notwithstanding the rejection of arguments advanced by Local 1181 (New York, NY) in litigation against the DOE.

Finally, pending unfair labor practices charges filed through retained counsel on behalf of Local 1229, (Moncton, NB) against Acadian Lines in Moncton, were also discussed with the Board.

GENERAL DISCUSSIONS

The remainder of the session was devoted to discussions among the international executive officers and members of the Board.

The meeting adjourned sine die at 3:30 p.m.
FIRST SESSION

The meeting convened at 9:00 a.m. on Monday, December 3, 2012. General Executive Board members present were Larry Kinnear, Javier Perez, Jr., Richard Murphy, Bob Hykaway, William McLean, Janis Borchardt, Paul Bowen, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, Gary Johnson, Sr., Robin West, John Costa, and Charles Watson. International President Lawrence Hanley presided.

Also in attendance were International Executive Vice President Robert Baker, Sr., International Secretary-Treasurer Oscar Owens, General Counsel Robert Molofsky, and Executive Assistant to the International President Lauri Straughan.

Retired International Vice Presidents Rodney Richmond and Charles Cook attended as special guests.

OPENING REMARKS OF THE INTERNATIONAL PRESIDENT

International President Hanley reviewed the Board agenda for the week, including scheduled speakers. He then presented a summary of activities over the period, including the political training programs and 2012 election activities. He advised the Board of Mike Maher’s recent election as the new director of the Canadian Council.

The international president also discussed the direct support by the International and by ATU local officers and members through the ATU Disaster Relief Fund to assist ATU members affected by Hurricane Sandy. International Vice President John Costa expressed the sincere gratitude of the New York and New Jersey locals for this support.

AUDIT COMMITTEE APPOINTED

Appointed to the Audit Committee were International Vice Presidents Paul Bowen, Kenneth Kirk, and Gary Rauen. International Vice President Bowen was designated as chair.

REPORT OF THE INTERNATIONAL PRESIDENT

International President Hanley presented a PowerPoint summary of the Union’s ongoing education and training, political activity, and coalition building efforts – including ATU’s expansive outreach to riders and other community organizations in support of transit.

ATU RESTRUCTURING DISCUSSION

As part of the International’s ongoing effort to respond to issues raised by the [2010] Convention’s Resolution A, as amended; “Structural Exploration Committee,” International President Hanley initiated a discussion with the Board on their views for making ATU a more effective organization. The discussion was facilitated in part by ATU consultant Bob Muehlenkamp.

The Board engaged in a “SWOT” analysis over ATU strengths, weaknesses, opportunities and threats as part of the ongoing effort to implement the mandate of the 2010 Restructuring Resolution A, to review and recommend potential changes to ATU’s financial structure, governance, priorities, programs, operations, and staffing. The results of this review and recommendations will be presented to the delegates at the 2012 International Convention.

GENERAL DISCUSSIONS

The remainder of the session was devoted to discussions among the international executive officers and members of the Board. The meeting adjourned at 5:30 p.m. to reconvene at 9:00 a.m. on Tuesday, December 4, 2012.

SECOND SESSION

The meeting convened at 9:00 a.m. on Tuesday, December 4, 2012. General Executive Board members
present were Larry Kinnear, Javier Perez, Jr., Richard Murphy, Bob Hykaway, William McLean, Janis Borchardt, Paul Bowen, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, Gary Johnson, Sr., Robin West, John Costa, and Charles Watson. International President Lawrence Hanley presided.

Also in attendance were International Executive Vice President Robert Baker, Sr., International Secretary-Treasurer Oscar Owens, and Executive Assistant to the International President Lauri Straughan.

Retired International Vice Presidents Rodney Richmond and Charles Cook attended as special guests.

General Counsel Robert Molofsky was excused.

APPEAL TO THE GENERAL EXECUTIVE BOARD

Via conference call

Appeal No. 1: Andrew Price
Local 587 (Seattle, WA)

There came before the General Executive Board, an appeal by Andrew Price, a member of Local 587 (Seattle, WA), which contested the April 24, 2012, decision of International President Hanley. Therein, President Hanley denied Brother Price’s appeal regarding his challenge to the local for not submitting his seniority grievance to the second step.

Brother Price presented his case by conference call, via speakerphone before the General Executive Board and provided a detailed summary of the issues, facts and circumstances underlying his appeal.

Upon a thorough explanation of all the facts and issues raised, the General Executive Board voted to uphold the decision of International President Hanley.

MINUTES OF SPRING 2012 GENERAL EXECUTIVE BOARD MEETING APPROVED

Upon motion duly made and seconded, the minutes of the previous spring General Executive Board Meeting held March 6 – 10, 2012, were approved as submitted.

REPORT OF THE INTERNATIONAL SECRETARY-TREASURER APPROVED

Upon motion duly made and seconded, the Report of the International Secretary-Treasurer for the period July 1, 2012 – December 31, 2012, was approved by the General Executive Board.

REQUESTS FOR FINANCIAL ASSISTANCE

Local 382 (Salt Lake City, UT)

Norman Blessant, financial secretary of Local 382, requested financial assistance due to lawsuits, outstanding debt, negotiations and issues possibly resulting in arbitration or an additional lawsuit, all that have created a financial strain on the local.

The General Executive Board, after careful review and consideration of the facts, voted to deny providing financial assistance to Local 382.

Local 1290 (Moncton, NB)

George Turple, president/business agent of Local 1290, requested financial assistance to help cover legal fees associated with negotiations with the City of Moncton, which have now entered into the third year. Currently $25,000.00 is still outstanding in legal fees and in order to continue in negotiations the local will need financial assistance.

The General Executive Board, after careful review and consideration of the facts, voted to refer the request to the executive officers for further investigation with authorization to take appropriate action.

Local 1637, (Las Vegas, NV)

Jeffrey Raske, former financial secretary of Local 1637, requested financial assistance in the form of a waiver of three months per capita tax, due to costs associated with organizing efforts of Veolia supervisors, and exorbitant legal bills associated with five arbitrations in the amount of approximately $59,020.89.

The General Executive Board, after careful review and consideration of the facts, voted to postpone a decision to allow the executive officers to further investigate.

Local 1591, (Broward County, FL)

April Williams, president/business agent of Local 1591, requested financial assistance in the form of a waiver of six months per capita tax or a reduced per capita tax, due to the local experiencing furlough days and a wage freeze, for the past three years.

The General Executive Board, after careful review and consideration of the facts, voted to authorize the executive officers to take appropriate action after further investigation.
The 27th annual golf tournament for the benefit of multiple sclerosis research was held September 23 - 24, 2012, at Musket Ridge golf club in Myersville, MD.

Financial Statements for the period of January 1, 2012, through June 30, 2012, for both the U.S. and Canadian MS Research Funds follow.

## ATU MS Research Fund
### Statement of Receipts and Disbursements

### Canadian Operations

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<tr>
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<tr>
<td>Green &amp; Tee Sponsors</td>
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<td>Donations</td>
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<td>Cash in Bank – June 30, 2012</td>
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### U.S. Operations

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<td>Local Union Contributions</td>
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<td><strong>Cash Disbursements</strong></td>
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<td>Donations</td>
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<td><strong>Total Cash Disbursements</strong></td>
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<tr>
<td>Cash in Bank – June 30, 2012</td>
<td>$10,081.29</td>
</tr>
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TRUSTEESHIPS

Report on Local 1195 (Harrisburg, PA) Trusteeship

International Vice President Chuck Watson, reported on the trusteeship of Local 1195, instituted on May 7, 2012. The local was trusteed to address significant governance, organizational and financial issues, compliance with its federal reporting requirements and satisfaction of its per capita obligations to the International. At the close of the reporting period it appeared that its employer, Bieber Transportation, was preparing to shut down its operations.

Report on Local 1385, (Dayton, OH) Terminated Trusteeship

International Vice President Gary Johnson, Sr., reported on the termination of the trusteeship and restoration of Local 1385 representative functions as of June 4, 2012. He reviewed the efforts by now-retired International Vice President Rodney Richmond to establish appropriate financial controls, bylaw amendments, and other operational changes necessary to address the financial issues which had precipitated the trusteeship.

Report on Local 241, (Chicago, IL) Trusteeship

International Vice Presidents Javier Perez and Marcellus Barnes presented a detailed summary of the ongoing efforts to address the financial, administrative and organizational issues underlying the trusteeship of Local 241, and the status of ongoing negotiations to reach a new collective bargaining agreement. The trusteeship was continuing at the close of the reporting period.

Report on Local 1593, (Tampa, FL) Terminated Trusteeship

International Vice President Ray Rivera gave an administrative report on the progress to address the financial issues confronting. He noted that after the close of the reporting period the Board approved International President Hanley’s recommendation to terminate the trusteeship effective September 4, 2012.

CONTRACT CAMPAIGNS & STRIKE PREPARATION

International President Hanley led a discussion on the recently distributed pre-authorization “ATU Strike Questionnaire.” Issued in part to help evaluate the merits of a potential strike, the local questionnaire is designed to help locals secure broad labor and community support for any intended job actions. In affirming the value of the document, members of the General Executive Board discussed how to best work with their assigned locals to ensure maximum support for their contract campaigns.

INTERNATIONAL PRESIDENT’S REPORT APPROVED

Upon motion duly made and seconded, the Report of the International President for the six-month period ending June 30, 2012, was approved.

GENERAL DISCUSSIONS

The remainder of the session was devoted to discussions among the international executive officers and members of the Board. The meeting adjourned at 5:30 p.m. to reconvene at 9:00 a.m. on Wednesday, December 5, 2012.

THIRD SESSION

The meeting convened at 9:00 a.m. on Wednesday, December 5, 2012. General Executive Board members present were Larry Kinnear, Javier Perez, Jr., Richard Murphy, Bob Hykaway, William McLean, Janis Borchardt, Paul Bowen, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, Gary Johnson, Sr., Robin West, John Costa, and Charles Watson. International President Lawrence Hanley presided.

Also in attendance were International Executive Vice President Robert Baker, Sr., International Secretary-Treasurer Oscar Owens, and Executive Assistant to the International President Lauri Straughan.

Retired International Vice Presidents Rodney Richmond and Charles Cook attended as special guests.

General Counsel Robert Molofsky was excused.
REPORT OF THE INTERNATIONAL SECRETARY-TREASURER ON ATU-SCHOLARSHIP PROGRAM – APPROVED

The selection process for the Amalgamated Transit Union 2012 scholarship competition, named in memory of Gary Maurer, retired international representative, was completed during this period by the scholarship selection Committee. The committee was chaired by James Kennedy, Jr., counsel, ULLICO. Committee members consisted of H. L. “Trip” McLaughlin, III, senior vice president, Investments, Morgan Stanley Dean Witter; John W. Harrison, III, president of Eberts & Harrison; and Cynthia Watson of Labour Lawyers.

A total of 82 applications met all of the program requirements. These applications were reduced to 14 finalists and one vocational finalist.

A merit system that weighted scholastic performance, school evaluations, personal activities (a biographical statement), and the required essay was used to select the winners.

SPECIAL TELECONFERENCE WITH SEN. CHRIS MURPHY, REPS. PAUL MURPHY & TAMMY DUCKWORTH

The international officers and General Executive Board members spoke with Sen. Chris Murphy, D-CT, Rep. Paul Murphy, D-FL, and Rep. Tammy Duckworth, D-IL, via teleconference. Each thanked ATU for the instrumental role our campaign activity played in their election victory. In praising the special ATU pro-transit literature distributed in support of their elections, Sen. Murphy and Reps. Duckworth and Murphy pledged to be forceful advocates for a strong well-funded transit program.

INTERNATIONAL EXECUTIVE VICE-PRESIDENT’S REPORT ON ORGANIZING APPROVED

Upon motion duly made and seconded, the members of the General Executive Board approved the International Executive Vice President's Report on Organizing. A summary appears below.

Efforts to organize workers in transportation-related industries and other areas, as designated by the General Executive Board pursuant to Section 1 of the Constitution and General Laws, continued over the course of these six months.

<table>
<thead>
<tr>
<th>Local / Location</th>
<th>Employer</th>
<th># of Employees</th>
<th>Type of Employees</th>
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<tr>
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<td>MV Transportation</td>
<td>78</td>
<td>Operators and Dispatchers</td>
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<tr>
<td>1028 (Des Plaines, IL)</td>
<td>Maury County Public Transportation</td>
<td>20</td>
<td>Dispatchers, reservationist and schedulers</td>
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<td>Maury County Public Transportation</td>
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<td>Drivers</td>
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<td>1576 (Lynnwood, WA)</td>
<td>First Transit</td>
<td>90</td>
<td>Dispatchers, supervisors, administrative clerks and transit operators</td>
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<td>City of Ottawa (OC &amp; Para Transpo)</td>
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<td>Supervisors</td>
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<td>1769 (Corpus Christi, TX)</td>
<td>Regional Transit Auth. Employee Association of Corpus Christi</td>
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<td>Bus operators, dispatchers, mechanics, clerks and supervisors</td>
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<td>Escambia County</td>
<td>200</td>
<td>Landfill workers, mosquito control technicians, mechanics, heavy equipment operators, janitors, road/bridge repair crews, moving crews and facilities maintenance technicians.</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>560</strong></td>
<td></td>
</tr>
</tbody>
</table>
Decertification Petitions/Raids during the Period

Local 381 (Butte, MT) - A petition was filed with the National Labor Relations Board (NLRB) to decertify the local union as the bargaining representative of First Student, Inc., employees at the Bozeman School District. International Vice President Yvette Salazar, reported that an election was held on January 5, 2012, and the membership voted 27 to 20 in favor of the union.

Local 1309 (San Diego, CA) - A petition was filed with the NLRB to decertify the local as the bargaining representative of the Veolia Transportation, Inc., employees at the El Cajon property. International Representative Anthony Withington reported that no further activity to raid or decertify the local has been reported. The petition was withdrawn.

Local 1338, (Dallas TX) - A petition was filed with the NLRB to decertify the local union as the bargaining representative of Transit Management of Denton County/First Transit employees at the Denton County Transportation Authority (DCTA). International Organizer Marilyn Williams reported that an election was held on May 7, 2012, and the membership voted 56 to 19 in favor of the union.

Strikes/Lockouts

Local 113, Toronto, ON

On January 12, 2012, a strike by Local 113 (Toronto, ON) ended after an agreement was reached on all outstanding issues for the members of Local 113 who are employed by Veolia Transportation, Inc. (York Region Transit). The membership voted to ratify the tentative agreement by a 77% margin.

Local 508, Halifax, NS

On Thursday, February 2, 2012, the members of Local 508 (Halifax, NS) who are employed by Halifax Regional Municipality Metro Transit went on strike when an agreement could not be reached in contract negotiations.

Thereafter, on March 14, 2012, the strike by Local 508 ended after an agreement was reached on all outstanding issues. The membership ratified the agreement by a vote 577 to 74.

Local 1229, Saint John, NB

On May 16, 2012, the strike by Local 1229 (St. John, NB) ended after an agreement was reached on all outstanding issues with Acadian Coach Lines. The membership ratified the agreement by a 90% vote.

Local 1290, Moncton, NB

On Wednesday, June 27, 2012, Codiac Transit Commission locked out 90 members of Local 1290 (Moncton, NB), when an agreement could not be reached in contract negotiations. The lockout continued at the close of this period.

Local 1433, Phoenix, AZ

At 12:01 a.m. on Sunday, March 11, 2012, the members of Local 1433 (Phoenix, AZ) who are employed by Veolia Transportation, Inc. (Valleymetro Phoenix) went on strike when an agreement could not

Campaigns Pending at the Close of the Period

<table>
<thead>
<tr>
<th>Local/Location</th>
<th>Employer</th>
<th># of Employees</th>
<th>Type of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>164 (Wilkes-Barre, PA)</td>
<td>Luzerne County Transit Authority</td>
<td>10</td>
<td>Dispatchers, clerical and road supervisors</td>
</tr>
<tr>
<td>164 (Wilkes-Barre, PA)</td>
<td>Hazelton Transit</td>
<td>12</td>
<td>Bus operators</td>
</tr>
<tr>
<td>770 (Mobile, AL)</td>
<td>Mobile Transit Management System (The Wave)</td>
<td>12</td>
<td>Clerical workers</td>
</tr>
<tr>
<td>1576 (Lynnwood, WA)</td>
<td>Hopelink Trans</td>
<td>60</td>
<td>Paratransit drivers</td>
</tr>
</tbody>
</table>
be reached in contract negotiations.

On March 15, 2012, the strike by Local 1433 (Phoenix, AZ) ended after an agreement was reached on all outstanding issues. The membership ratified the agreement by a vote of 397 to 15.

Local 1587, Toronto, ON

On January 28, 2012, a strike in Local 1587 (Toronto, ON) ended after an agreement was reached on all outstanding issues with Miller Transit (York Region Transit). The membership ratified the agreement by an 80% vote.

At 12:00 a.m. on Monday, October 24, 2011, the members of Local 1587 (Toronto, ON) who are employed by First Transit Canada went on strike when an agreement could not be reached in contract negotiations. No settlement had been reached and that unit remained on strike at the close of this period. It was reported that First Transit Canada lost the contract to Tomakjian Group (TOK Transit, Ltd.), a non-union company.

Expenses

Approximately $190,507 was spent during this report period on organizing. This figure includes the salaries and expenses for the Organizing Department and lost time and miscellaneous expenses for member organizers. Local union members assigned to assist with these drives were reimbursed by the International for their wages and expenses incurred.

AUDIT COMMITTEE’S REPORT ADOPTED

After discussion, upon a motion duly made and seconded, the members of the General Executive Board approved the report of the Audit Committee for the six-month period ended June 30, 2012.

DISCUSSION ON TRANSIT INDUSTRY ISSUES AND TRENDS

International President Hanley and ATU Consultant Bob Muehlenkamp led the Board in a wide ranging discussion of transit industry issues and trends, including privatization and its expansion in the fixed route and paratransit and school bus sectors; attacks on defined benefit plans through state legislation and at the bargaining table; specific issues affecting school bus and over-the-road employees, including ATU’s bathroom breaks and anti-assault campaigns; national polls showing increases in transit ridership across all groups; and the value of alliances with environmental groups seeking to address global warming and climate change.

GENERAL DISCUSSIONS

The remainder of the session was devoted to discussions among the international executive officers and the members of the Board. The meeting adjourned at 5:00 p.m., to reconvene at 9:00 a.m. on Thursday, December 6, 2012.

FOURTH SESSION

The meeting convened at 9:00 a.m. on Thursday, December 6, 2012. General Executive Board members present were Larry Kinnear, Javier Perez, Jr., Richard Murphy, Bob Hykaway, William McLean, Janis Borchardt, Paul Bowen, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, Gary Johnson, Sr., Robin West, John Costa, and Charles Watson. International President Lawrence Hanley presided.

Also in attendance were International Executive Vice President Robert Baker, Sr., International Secretary-Treasurer Oscar Owens, and Executive Assistant to the International President Lauri Straughan.

Retired International Vice Presidents Rodney Richmond and Charles Cook attended as guests.

Also in attendance were International Representatives Anthony Withington, Dennis Antonellis, Stephan MacDougall, Claudia Hudson, and Anthony Garland.

General Counsel Robert Molofsky was excused.

AMERICANS FOR TRANSIT – REPORT ON PROJECTS AND PROGRAMS

Andrew Austin, executive director of Americans for Transit, a 501(c)(3), established to assist in the formation of community-rider & transit coalitions, briefed the Board on its activities during the reporting period.

PRESENTATION ON THE GOOD JOBS - FIRST-TRANSIT RESEARCH PROJECT

Greg Leroy, executive director of Good Jobs First,
briefed the Board via teleconference on the status of his research identifying pro-transit employers, and an update on his database.

**PRESENTATION AND DISCUSSION ON THE AFFORDABLE CARE ACT & COLLECTIVE BARGAINING ISSUES**

Steve Kreisberg, AFSCME director of research, presented a summary of the new law, and the issues it raises in bargaining contracts in 2013 – 2014 and beyond. Thereafter he, the executive officers and board members engaged in discussion on issues involving “grandfathered” plans, state health plan exchanges, and related tax issues.

**MASSACHUSETTS SENATOR ELIZABETH WARREN ADDRESSES THE BOARD**

Newly elected Sen. Elizabeth Warren, D-MA, addressed the Board via teleconference and expressed her deep gratitude for the extraordinary support she received from ATU locals and members, which she stated was key to her winning a hard fought race. She affirmed her continued support for transit and labor issues.

**REPORT ON LOCAL 732 (ATLANTA, GA) – ANTI-PRIVATIZATION CAMPAIGN**

International President Hanley reported on the member mobilization, media and community coalition efforts of Local 732, supported by the International, to defeat state legislation compelling the privatization of MARTA’s paratransit service and other bargaining unit work. Among other anti-labor provisions, if passed, the pending bill would have frozen the defined benefit pension plan for new hires after January 1, 2014.

In addition it calls for a restructuring of the MARTA Board to increase suburban representation on the governing body. International President Hanley described the media messaging and international staff assistance provided by the International, including commissioning an analysis by Columbia University Professor Elliott Sclar to refute a recent KPMG study which supported the legislation.

**REPORT ON ATU ELECTION 2012 POLITICAL ACTIVITY**

International President Hanley reviewed with the Board, ATU’s unprecedented political activity in connection with the 2012 federal and state elections, and transit ballot initiatives. He highlighted the local political training conducted by the international vice presidents, the national “webinar” held and simultaneously broadcast from Cleveland, OH, and Denver, CO; the extraordinary member mobilizations, and Get Out The Vote (GOTV) and pro-transit campaigning undertaken by ATU locals across the U.S.

Copies of the numerous member mailings, leaflets and pro-transit GOTV cards were given to each Board member. International President Hanley noted that the level of activity during the 2012 campaign exceeded all prior election-year activity and earned the gratitude of many successful candidates.

**REPORT ON ATU LOCAL 689 (WASHINGTON, DC) – COPE PROGRAM**

International Representative Anthony Garland gave a report on Local 689’s expanding COPE program. He highlighted the local’s outreach efforts and the increased member participation in the program.

**DISCUSSION WITH LOCAL 85’s OFFICERS (PITTSBURGH, PA)**

The officers of Local 85 briefed the Board on ongoing collective bargaining, negotiations, and transit service cuts facing their members. Thereafter, members of the General Executive Board discussed the issues raised and how best to address them, by building stronger community coalitions to combat the right wing anti-labor think tanks and their supporters.

International President Hanley and the Board stressed the necessity of increased COPE contributions and other resources to build a sustainable ridership coalition, media program and to bring their pro-transit message to seniors, students, and the general public.
TELECONFERENCE WITH PATRICK GASPARD, EXECUTIVE DIRECTOR, DEMOCRATIC NATIONAL COMMITTEE

Democratic National Committee (DNC) Executive Director Patrick Gaspard addressed the Board via teleconference. He expressed the gratitude of the White House and the DNC for all the 2012 election work conducted by ATU locals throughout the U.S. He complimented ATU’s political program, especially our pro-transit GOTV effort and the extraordinary role played by ATU to help President Obama win in Ohio.

Thereafter, the Board discussed ways to sustain ATU’s political momentum as we continue to fight for a strong federal transit bill, and address the rising number of state anti-labor laws, pending action, and funding battles in both the U.S. and Canada.

MOTION APPROVED TO EXTEND ATU COPE-PLUS PROGRAM

Upon motion duly made and seconded, the members of the General Executive Board approved the extension of the ATU-COPE-PLUS program through the 2014 election cycle.

MOTION APPROVED AUTHORIZING INTERNATIONAL PRESIDENT HANLEY TO PURSUE SETTLEMENT OF PENDING LITIGATION INVOLVING FORMER PRESIDENT HEINTZMAN

Following a litigation update, upon motion duly made and seconded, the members of the General Executive Board approved a motion authorizing International President Hanley to pursue settlement of the pending litigation with former International President Ron Heintzman, subject to final approval of settlement terms by the Board.

GENERAL DISCUSSION

The remainder of the session was devoted to discussions among the international executive officers and members of the Board. The meeting adjourned at 5:45 p.m. to reconvene at 9:00 a.m. Friday, December 7, 2012.

FIFTH SESSION

The meeting convened at 9:00 a.m. on Friday, December 7, 2012. General Executive Board members present were Larry Kinnear, Javier Perez, Jr., Richard Murphy, Bob Hykaway, William McLean, Janis Borchardt, Paul Bowen, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, Gary Johnson, Sr., Robin West, John Costa, and Charles Watson. International President Lawrence Hanley presided.

Also in attendance were International Executive Vice President Robert Baker, Sr., International Secretary-Treasurer Oscar Owens, and Executive Assistant to the International President Lauri Straughan.

Retired International Vice Presidents Rodney Richmond and Charles Cook attended as guests.

Also in attendance were International Representatives Anthony Withington, Dennis Antonellis, Stephan MacDougall, Claudia Hudson, and Anthony Garland.

General Counsel Robert Molofsky was excused.

MOTION APPROVED TO SUPPORT CAMPAIGN TO OVERTURN THE CITIZENS UNITED SUPREME COURT DECISION

John Bonifaz, Esq., gave a presentation to the Board on the national campaign to overturn the U.S. Supreme Court decision in “Citizens United,” permitting unlimited corporate funding of election campaigns. Upon a motion duly made and seconded, the members of the General Executive Board voted to approve a $25,000 contribution in support of the campaign for a constitutional amendment to overturn the decision.

REPORT BY THE DIRECTOR OF GOVERNMENT AFFAIRS

Jeff Rosenberg, director of Government Affairs, provided a detailed report to the Board focusing on the new federal surface transportation bill, and state legislative battles.

Rosenberg summarized the two-year federal bill, (HR 4348) Moving Ahead for Progress in the 21st Century (MAP-21), noting its failure to provide increased transit funding; the inclusion over our objections of pro-privatization provisions; limited success in securing greater funding flexibility for operating
assistance beyond small urban transit systems serving populations of less than 200,000, and urban systems that operate 75 or fewer buses in peak service hours; a small $5 million program for workforce development and some improvements in over-the-road bus safety requirements. Fortunately, there was no weakening of the Section 13 (c) labor protection provisions.

Rosenberg also reported on state legislative developments in Delaware, Maryland, Minnesota, Indiana, Missouri, and New York. His report also included some post-election highlights on the composition of the new Congress.

TELECONFERENCE WITH SENATOR SHEROD BROWN, D-OH

Newly-elected Senator Sherrod Brown, D-OH, addressed the Board via teleconference. The senator thanked ATU for its support and expressed gratitude for all the work by ATU locals in Ohio and nationwide that contributed to his and President Obama’s election victory.

MOTION APPROVED TO FILE CHARGES AGAINST FORMER PRESIDENT OF LOCAL 241 (CHICAGO, IL)

Following a review and summary presentation of investigative findings, upon motion and duly made and seconded, the members of the General Executive Board voted, pursuant to Section 12.5 of the Constitution and General Laws, to issue a complaint against former Local 241 President/Business Agent Darrell Jefferson.

MOTION APPROVED TO AMEND THE SUPPLEMENTAL BENEFIT IN ATU PENSION PLAN FOR INTERNATIONAL OFFICERS AND EMPLOYEES

Upon motion duly made and seconded, members of the General Executive Board approved an amendment to Section 5.12 of the ATU Pension Plan, retroactive to January 1, 2006, to remove the offset for the Canadian Governmental Plan benefits, to the supplemental benefit, otherwise payable under the Plan to Canadian officers and staff for service not covered by the U.S. Railroad Retirement Plan.

REPORT OF THE GENERAL COUNSEL

General Counsel Robert Molofsky, reported via teleconference call the major activities of the Legal Department during the reporting period. He added that during the reporting period of January 1, 2012, through June 30, 2012, the Legal Department continued to provide counsel and representation to the International Union and ATU locals in connection with a wide range of issues.

We once again devoted considerable resources to the Section 13(c) processing of U.S. transit grants, and assisted local unions and outside counsel in the ongoing administration, interpretation and enforcement of employee protections.

We also handled a number of other litigation matters in which the International and local unions were involved before the courts and administrative agencies, and assisted in the investigation and hearings involving local union trusteeships.

Throughout the reporting period the Legal Department otherwise responded to a multitude of inquiries concerning organizing drives, internal union elections; local officer fiduciary responsibilities and issues under the NLRA, FLSA, FMLA, and pension and 401K retirement plan rights.

Molofsky also reported on Section 13(c) enforcement efforts involving anti-worker legislation affecting bargaining rights in Michigan; the resolution of Section 13(c) enforcement actions involving Local 1091 (Austin, TX); Local 1338 (Dallas, TX); Local 192 (Oakland, CA); Local 1741 (Lafayette, IN); Local 1342 (Buffalo, NY); Local 382 (Salt Lake City, UT); and Local 19 (Colorado Springs, CO); among others.

GENERAL DISCUSSION

The remainder of the session was devoted to discussions among the international executive officers and members of the Board.

The meeting adjourned sine die at 4:15 p.m.

INTERIM ACTIONS AND RULINGS BY THE GENERAL EXECUTIVE BOARD

For the Period January 1, 2012 – June 30, 2012

1. AUTHORIZATION FOR LOCAL 996 (SOUTH BEND, IN) TO ENTER INTO INTEREST ARBITRATION

Under authority vested in International President
Hanley, by action of the General Executive Board and pursuant to Section 19.2 of the Constitution and General Laws, on January 1, 2012, Local 996 was authorized to enter into interest arbitration with South Bend Public Transportation Corporation (TRANSPO).

2. **STRIKE SANCTION GRANTED TO MEMBERS OF LOCAL 508 (HALIFAX, NS)**

Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 20.2 of the Constitution and General Laws, on January 23, 2012, strike sanction was granted at the request of International Vice President West, to the members of Local 508, employed by Halifax Regional Municipality.

3. **AUTHORIZATION FOR LOCAL 1547 (BROCKTON, MA) TO ENTER INTO AN AGREEMENT EXCEEDING THREE YEARS**

Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 33.1 of the Constitution and General Laws, on January 23, 2012, Local 1547 was authorized to enter into an agreement exceeding three years with East Coast Transit.

4. **AUTHORIZATION FOR LOCAL 1181 (NEW YORK, NY) TO ENTER INTO AN AGREEMENT EXCEEDING THREE YEARS**

Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 33.1 of the Constitution and General Laws, on February 2, 2012, Local 1181 was authorized to enter into an agreement exceeding three years with Maggie's Paratransit Corp.

5. **AUTHORIZATION FOR LOCAL 1336 (BRIDGEPORT, CT) TO ENTER INTO AN AGREEMENT EXCEEDING THREE YEARS**

Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 33.1 of the Constitution and General Laws, on February 24, 2012, Local 1336 was authorized to enter into an agreement exceeding three years with First Student, Inc.

6. **FINANCIAL ASSISTANCE GRANTED TO LOCAL 1593 (TAMPA, FL)**

Under authority vested in International President Hanley, by majority vote of the General Executive Board via telephone conference call on February 14, 2012, financial assistance was granted to Local 1593, to assist the local in filing for bankruptcy.

7. **AUTHORIZATION FOR LOCAL 627 (CINCINNATI, OH) TO ENTER INTO FACT-FINDING**

Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 19.2 of the Constitution and General Laws, on March 3, 2012, at the request of President/Business Agent Miller, Local 627 was authorized to enter into fact-finding.

8. **AUTHORIZATION FOR LOCAL 448 (SPRINGFIELD, MA) TO ENTER INTO AN AGREEMENT EXCEEDING THREE YEARS**

Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 33.1 of the Constitution and General Laws, on March 5, 2012, Local 448 was authorized to enter into an agreement exceeding three years with Lecrenski Brothers, Inc.

9. **STRIKE SANCTION GRANTED TO MEMBERS OF LOCAL 1277 (LOS ANGELES, CA)**

Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 20.2 of the Constitution and General Laws, on March 6, 2012, strike sanction was granted at the request of Local Financial Secretary James Lindsay to the members of Local 1277, employed by SunLine Transit Agency.

10. **AUTHORIZATION FOR LOCAL 788 (ST. LOUIS, MO) TO ENTER INTO AN AGREEMENT EXCEEDING THREE YEARS**

Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 33.1 of the Constitution and General Laws, on March 8, 2012, Local 788 was authorized to enter into an agreement exceeding three years with First Student, Inc. (East St. Louis).

11. **AUTHORIZATION FOR LOCAL 788 (ST. LOUIS, MO) TO ENTER INTO AN AGREEMENT EXCEEDING THREE YEARS**

Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 33.1 of the Constitution and General Laws, on March 8, 2012, Local 788 was authorized to enter into an agreement exceeding three years with Missouri Central School Bus Operation.
12. STRIKE SANCTION GRANTED TO MEMBERS OF LOCAL 1433 (PHOENIX, AZ)

Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 20.2 of the Constitution and General Laws, on March 16, 2012, strike sanction was granted at the request of Local President/ Business Agent Bean, to the members of Local 1433, employed by Veolia Transportation, Inc.

13. AUTHORIZATION FOR LOCAL 725 (BIRMINGHAM, AL) TO ENTER INTO INTEREST ARBITRATION

Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 19.2 of the Constitution and General Laws, on April 2, 2012, Local 725 was authorized to enter into interest arbitration with the Birmingham Jefferson County Transit Authority (BJCTA).

14. AUTHORIZATION FOR LOCAL 279 (OTTAWA, ON) TO ENTER INTO AN AGREEMENT EXCEEDING THREE YEARS

Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 33.1 of the Constitution and General Laws, on April 24, 2012, Local 279 was authorized to enter into an agreement exceeding three years with Royal Canadian Mint.

15. AUTHORIZATION FOR LOCAL 1505 (WINNIPEG, MB) TO ENTER INTO AN AGREEMENT EXCEEDING THREE YEARS

Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 33.1 of the Constitution and General Laws, on May 9, 2012, Local 1505 was authorized to enter into an agreement exceeding three years with Brandon Transit (City of Brandon Transit).

16. AUTHORIZATION TO PLACE LOCAL 1195 (HARRISBURG, PA) IN TEMPORARY TRUSTEESHIP

Upon a polling of its membership, conducted pursuant to Section 12.6 of the Constitution and General Laws, on May 7, 2012, the General Executive Board authorized International President Hanley, to place Local 1195 in temporary trusteeship, effective immediately.

17. AUTHORIZATION FOR LOCAL 694 (SAN ANTONIO, TX) TO RETAIN A LOWER DUES STRUCTURE

Under the authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 18.3 of the Constitution and General Laws, on May 31, 2012, Local 694 was granted permission to retain a lower dues structure.

18. AUTHORIZATION FOR LOCAL 812 (CLARKSBURG, WV) TO ENTER INTO INTEREST ARBITRATION

Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 19.2 of the Constitution and General Laws, on June 11, 2012, Local 812 was authorized to enter into interest arbitration with Central West Virginia Transit Authority.

19. AUTHORIZATION FOR LOCAL 1321 (ALBANY & TROY, NY) TO ENTER INTO A TWO-YEAR EXTENSION OF THE CURRENT AGREEMENT

Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 33.1 of the Constitution and General Laws, on June 11, 2012, Local 1321 was authorized to enter into a two-year extension of their current collective bargaining agreement due to expire June 15, 2013, pending ratification by the membership.

20. APPROVAL OF LOCAL 1385’s (DAYTON, OH) BYLAWS

Under the authority vested in International President Hanley, by majority vote of the General Executive Board and pursuant to Section 13.2 of the Constitution and General Laws, on June 4, 2012, the Board approved Local 1385’s bylaws.

21. AUTHORIZATION FOR LOCAL 682 (FORT WAYNE, IN) TO RETAIN A LOWER DUES STRUCTURE

Under the authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 18.3 of the Constitution and General Laws, on June 14, 2012, Local 682 was granted permission to retain a lower dues structure.
22. AUTHORIZATION FOR LOCAL 1742
(Charleston, WV) TO RETAIN A LOWER DUES STRUCTURE

Under the authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 18.3 of the Constitution and General Laws, on June 11, 2012, Local 1742 was granted permission to retain a lower dues structure.

23. AUTHORIZATION FOR LOCAL 1743
(Pittsburgh, PA) TO RETAIN A LOWER DUES STRUCTURE

Under the authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 18.3 of the Constitution and General Laws, on June 14, 2012, Local 1743 was granted permission to retain a lower dues structure.

24. AUTHORIZATION FOR LOCAL 1293 (Lincoln, NE)
TO RETAIN A LOWER DUES STRUCTURE

Under the authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 18.3 of the Constitution and General Laws, on June 14, 2012, Local 1293 was granted permission to retain a lower dues structure.

25. AUTHORIZATION FOR LOCAL 1251
(Battle Creek, MI) TO ENTER INTO INTEREST ARBITRATION

Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 19.2 of the Constitution and General Laws, on June 18, 2012, Local 1251 was authorized to enter into interest arbitration with The City of Battle Creek.

26. AUTHORIZATION FOR LOCAL 1574
(San Mateo, CA) TO RETAIN A LOWER DUES STRUCTURE

Under the authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 18.3 of the Constitution and General Laws, on June 20, 2012, Local 1574 was granted permission to retain a lower dues structure.

27. APPROVAL OF LOCAL 1593’s (Tampa, FL) BYLAWS

Under the authority vested in International President Hanley, by majority vote of the General Executive Board and pursuant to Section 13.2 of the Constitution and General Laws, on June 25, 2012, the Board approved Local 1593’s bylaws.

28. AUTHORIZATION FOR LOCAL 381 (Butte, MT)
TO RETAIN A LOWER DUES STRUCTURE

Under the authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 18.3 of the Constitution and General Laws, on June 20, 2012, Local 381 was granted permission to retain a lower dues structure.

29. AUTHORIZATION FOR LOCAL 788 (St. Louis, MO)
TO ENTER INTO AN AGREEMENT EXCEEDING THREE YEARS

Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 33.1 of the Constitution and General Laws, on June 28, 2012, Local 788, was authorized to enter into an agreement exceeding three years with the Illinois Central Bus Company (O’Fallon/Granite City).

30. AUTHORIZATION FOR LOCAL 1729
(Pittsburgh, PA) TO RETAIN A LOWER DUES STRUCTURE

Under the authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 18.3 of the Constitution and General Laws, on June 29, 2012, Local 1729 was granted permission to retain a lower dues structure.
FIRST SESSION

The meeting convened at 9:00 a.m. on Monday, May 6, 2013. General Executive Board members present were Larry Kinnear, Javier Perez, Jr., Richard Murphy, Bob Hykaway, William McLean, Janis Borchardt, Paul Bowen, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, Gary Johnson, Sr., Robin West, John Costa, Charles Watson, Claudia Hudson, and Bruce Hamilton. International President Lawrence Hanley presided.

Also in attendance were International Executive Vice President Robert Baker, Sr., International Secretary-Treasurer Oscar Owens, General Counsel Robert Molofsky, and Executive Assistant to the International President Lauri Straughan.

OPENING REMARKS OF THE INTERNATIONAL PRESIDENT

International President Hanley reviewed the Board agenda for the week, including scheduled guests and presentations. He then gave an overview of recent developments in Atlanta, GA, and legislative/political and coalition efforts by Local 732 (Atlanta, GA) to combat proposed privatization legislation in the state legislature; the special training and assistance provided by the International for officers and members, including position and briefing papers for the legislature and the MARTA Board; and research to expose conflict by the consulting firm of KPGM, advisors to the MARTA Board.

The Board then engaged in a wide ranging discussion of recent privatization activity facing ATU locals; the necessity for additional education and training on privatization, coalition building and community campaigns. Recent anti-pension campaigns, privatization and Section 13(c) issues in Pittsburgh, PA; Massachusetts; California; Ohio; and Florida were also discussed.

In addition the Board was briefed on the status of the pending cases involving ATU locals, California grants, and the adverse impact on the state’s 2012 pension reform law. At time of the meeting the locals were awaiting a decision by the Department of Labor.

In addition President Hanley reviewed with the Board savings achieved to date from changes to the health and pension plans for international officers, employees and staff; cost savings involving ATU publications, conferences and seminars.

AUDIT COMMITTEE APPOINTED

Appointed to the Audit Committee were International Vice Presidents Kenneth Kirk, Gary Rauen and Paul Bowen. International Vice President Kirk was designated as chair.

SPECIAL PRESENTATION BY PROFESSOR ELLIOTT SCLAR

Professor Elliott Sclar presented and briefed the Board on the special research and findings based on an examination of reports issued by MARTA’s consultants, KPMG, with respect to the potential cost savings to be derived from privatizing parts of the system. Sclar raised and exposed fallacies in their study design, peer group analysis and economic assumptions to debunk the potential cost savings to be realized. He later participated in a news conference and presentation before the local press on his research and findings.

REPORT OF THE INTERNATIONAL SECRETARY-TREASURER APPROVED

Upon motion duly made and seconded, the Report of the International Secretary-Treasurer, for the period July 1, 2012 – December 31, 2012, was approved by the General Executive Board.
REPORT OF THE INTERNATIONAL SECRETARY-TREASURER
ON ATU-MS RESEARCH APPROVED

The twenty-seventh annual golf tournament for the benefit of multiple sclerosis research was held September 23-24, 2012, at Musket Ridge Golf Club in Myersville, MD.

Financial Statements for the United States and Canada for the six months ended December 31, 2012, follow.

CANADIAN OPERATIONS

Cash in Bank – July 1, 2012 $ 3,607.76

CASH RECEIPTS
General Contributions $ 1,058.45
Local Union Contributions 30,000.00
Golf Tournament Proceeds:
  Program Ads 275.00
  Green & Tee Sponsors 325.00
  Green Sponsors 225.00
  Golf Participants 4,800.00
  Dinner Guests
  Cart Sponsor Receipts 75.00
  Raffles/Auctions
  Other Golf Tournament Receipts
Interest Income .49
Booster Contributions 1,500.00

Total Cash Receipts $ 38,258.94

TOTAL CASH AVAILABLE $ 41,866.70

CASH DISBURSEMENTS
Miscellaneous Expenses $
Audit Expenses 904.00
Donations 38,000.00
Filing Fees 30.00
Bank Charges 19.80

Total Cash Disbursements 38,953.80

Cash in Bank – December 31, 2012 $ 2,912.90
REPORT OF THE INTERNATIONAL SECRETARY-TREASURER ON ATU SCHOLARSHIP PROGRAM APPROVED

The 2012 Scholarship Program named in memory of Gary Maurer, former international representative, was concluded with the issuance of checks in the amount of $5,000.00 to five individuals. A check in the amount of $2,000 was issued for one vocational scholarship.

The 2013 Scholarship Program, named in memory of Gunter Bruckner, retired member of the ATU General Executive Board and co-founder of the Canadian Council, who passed away in April 2012, commenced with the publication of the official application and guidelines in the 2012, September-October issue of the *In Transit*. A subsequent mailing of a supply of applications, accompanied by the official guidelines, was mailed to each local union.

As customary, applications have been received from U.S. and Canadian residents and are being held pending review.

REPORT OF THE INTERNATIONAL SECRETARY-TREASURER ON ATU–COPE APPROVED

The Amalgamated Transit Union Committee on Political Education (ATU-COPE) program collects voluntary contributions from ATU members for the purposes of making contributions to and expenditures for candidates for federal, state and local offices and addressing federal, state and local political issues.

The highlights of the contributions paid from the various funds (combined) for the six month period ending December 31, 2012, are as follows:

### U. S. OPERATIONS

Cash in Bank – July 1, 2012 $ 10,081.29

#### CASH RECEIPTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Contributions</td>
<td>$ 4,285.00</td>
</tr>
<tr>
<td>Local Union Contributions</td>
<td>11,227.50</td>
</tr>
<tr>
<td>Golf Tournament Proceeds:</td>
<td></td>
</tr>
<tr>
<td>Program Ads</td>
<td>4,775.00</td>
</tr>
<tr>
<td>Green &amp; Tee Sponsors</td>
<td>2,275.00</td>
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<tr>
<td>Green Sponsors</td>
<td>675.00</td>
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<tr>
<td>Cart Sponsors</td>
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<tr>
<td>Dinner Only</td>
<td>750.00</td>
</tr>
<tr>
<td>Golf Participants</td>
<td>21,300.00</td>
</tr>
<tr>
<td>Sponsor Receipts</td>
<td>6,300.00</td>
</tr>
<tr>
<td>Raffles/Auctions</td>
<td>2,015.00</td>
</tr>
<tr>
<td>Other Golf Tournament Receipts</td>
<td>550.00</td>
</tr>
<tr>
<td>Booster Contributions</td>
<td>2,708.64</td>
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</table>

Total Cash Receipts $ 57,286.14

#### TOTAL CASH AVAILABLE

$ 67,367.43

#### CASH DISBURSEMENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Golf Tournament Expenses</td>
<td>22,866.43</td>
</tr>
<tr>
<td>Miscellaneous Expenses</td>
<td>60.72</td>
</tr>
<tr>
<td>Donations</td>
<td>41,000.00</td>
</tr>
</tbody>
</table>

Total Cash Disbursements $ 63,927.15

Cash in Bank – December 31, 2012 $ 3,440.28
Between July 1, 2012, and December 31, 2012, ATU-COPE took in contributions totaling $762,072.80. As of December 31, 2012, the fund had a combined available balance of $369,272.85.

GENERAL DISCUSSIONS

The remainder of the session was devoted to discussions among the international executive officers and members of the Board.

The meeting adjourned at 4:10 p.m. to attend Local 732’s (Atlanta, GA) union meeting and reconvene at 9:00 a.m. on Tuesday, May 7, 2013.

SECOND SESSION

The meeting convened at 9:00 a.m. on Tuesday, May 7, 2013. General Executive Board members present were Larry Kinnear, Javier Perez, Jr., Richard Murphy, Bob Hykaway, William McLean, Janis Borchardt, Paul Bowen, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, Gary Johnson, Sr., Robin West, John Costa, Charles Watson, Claudia Hudson, and Bruce Hamilton. International President Lawrence Hanley presided.

Also in attendance were International Executive Vice President Robert Baker, Sr., International Secretary-Treasurer Oscar Owens, General Counsel Robert Molofsky, and Executive Assistant to the International President Lauri Straughan.

GEB ATTENDANCE AT LOCAL 732 UNION MEETING

General Executive Board members discussed the attendance of GEB members at Local 732’s (Atlanta, GA) monthly union meetings. The previous evening, in a show of support and solidarity with their extensive anti privatization campaign and coalition-building, members of the GEB attended the local’s monthly union meeting.

MINUTES OF FALL 2012 GENERAL EXECUTIVE BOARD MEETING APPROVED

Upon motion duly made and seconded, the minutes of the previous fall General Executive Board meeting held December 3 - 7, 2012, were approved, as submitted with minor spelling edits on pages 24 and 12.

STRIKE SANCTIONS

No requests for strike authorization came before the Board.

APPEALS

No appeals came before the Board.

PENDING REQUESTS FOR FINANCIAL ASSISTANCE

Local 1591, (Broward County, FL)
Local 1637 (Las Vegas, NV)

As directed by the General Executive Board on December 4, 2012, President Hanley reported that under the discretion granted to the international executive officers; the pending request for financial assistance by Local 1637 (Las Vegas, NV) was denied; Local 1591 (Broward County, FL) was granted a two (2) months waiver of per capita.

INTERNATIONAL PRESIDENT’S REPORT ON LOCAL 1181 (NEW YORK, NY)

International President Hanley reviewed the legal history and efforts to negotiate a resolution of the local’s dispute with New York City and Mayor Bloomberg, over the issues of proposals for bid on certain school bus contracts with the inclusion of longstanding employee protection provisions designed to protect the jobs
of Local 1181 members. He discussed efforts, albeit unsuccessful, by Local 1181, and its community allies, aided and supported by the International, to bring pressure on the mayor to settle the dispute, and the ensuing five-week strike in January 2013.

Although members of Local 1181 returned to work, each of the Democratic mayoral candidates in the upcoming election pledged to revisit the issue and address the employees’ concerns. Previously the GEB meeting via teleconference, on January 14, 2013, had approved expenditures by the International in support of a public citywide media and outreach campaign.

INTERNATIONAL PRESIDENT’S REPORT ON THE 57TH ATU CONVENTION

International President Hanley discussed preparations to date, the convention website, and reviewed elements of the proposed convention agenda, including its new emphasis on training, with a Convention Training Academy.

PRESENTATION AND DISCUSSION OF ‘RESOLUTION A’ AND THE STRUCTURAL EXPLORATION COMMITTEE

ATU consultant Bob Muelenkamp reported to the Board on the results of discussions to date: including the “burning platform” of threats and attacks on ATU; common issues facing our locals and structural difficulties encountered in meeting new challenges (size, geography, coordinated bargaining, strategic research); ATU’s historic strengths and the opportunity to reshape the Union’s structure; the need of locals for assistance with education and training; financial and administrative obligations; internal and external organizing; building coalitions and developing and leading contract and other community-based campaigns.

It was stressed that the rising expansion of five private transportation providers required new approaches to bargaining, employing national research and contract strategies; improved communications systems and a stronger capacity to address the media, messaging and the mobilization needs of our locals.

The Board then engaged in a wide-ranging discussion expressing their support for the development of ATU industry councils and the need for increased financial resources to meet the new servicing and staffing needs of the Union.

GENERAL DISCUSSIONS

The remainder of the session was devoted to discussions among the international executive officers and members of the Board. The meeting adjourned at 3:00 p.m. to reconvene at 9:00 a.m. on Wednesday, May 8, 2013.

THIRD SESSION

The meeting convened at 9:00 a.m. on Wednesday, May 8, 2013. General Executive Board members present were Larry Kinnear, Javier Perez, Jr., Richard Murphy, Bob Hykaway, William McLean, Janis Borchardt, Paul Bowen, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, Gary Johnson, Sr., Robin West, John Costa, Charles Watson, Claudia Hudson, and Bruce Hamilton. International President Lawrence Hanley presided.

Also in attendance were International Executive Vice President Robert Baker, Sr., International Secretary-Treasurer Oscar Owens, General Counsel Robert Molofsky, and Executive Assistant to the International President Lauri Straughan.

CONTINUED DISCUSSION ON ATU INDUSTRY COUNCILS AND ADDITIONAL RESOURCES

The Board continued its discussions on responding to the “new world” facing our locals. The history of, and administrative issues raised by the previously established “Joint Service Council” were viewed, with suggestion on how to better manage newly formed councils.

The Board also focused on addressing regional concerns and providing additional resources to the provincial campaigns and our locals in Canada. Strong support was voiced for the emerging consensus to establish industry councils and better structure and manage newly formed Joint Service Councils.
Decertification Petitions/Raids During the Period

Local 1738 (Latrobe, PA) - A petition was filed to decertify the local union as the collective bargaining representative of Westmoreland County Transit employees. International Vice President Charles Watson reported that the petition was withdrawn and the vote was cancelled.

Strikes

Local 1290 (Moncton, NB)

On Friday, November 30, 2012, the five-month lockout which began on June 27, 2012, involving some 90 members of Local 1290 employed by Codiac Transit Commission, ended after the membership ratified a new contract by a 91% margin.

Expenses

Approximately $142,080 was spent during this report period on organizing. This figure includes the salaries and expenses for the Organizing Department and lost time and miscellaneous expenses for member organizers. Local union members assigned to assist with these drives were reimbursed by the International for their wages and expenses incurred.

MOTION APPROVED FOR HEAD TABLE AT CONVENTION BANQUET

Upon motion duly made and seconded, the members of the General Executive Board approved a motion to continue tradition of “head tables” at the convention banquet, but without formal introductions.
MOTION APPROVED TO USE HAND BALLOTS FOR ELECTIONS AT THE 2013 CONVENTION

Upon motion duly made and seconded, to reduce expenses, the members of the General Executive Board approved a motion to use hand ballots (and not voting machines) for purposes of conducting elections at the 2013 Convention.

MOTION APPROVED FOR LOCAL UNION APPOINTMENTS TO THE ATU RESTRUCTURING COMMITTEE

Upon motion duly made and seconded, the members of the General Executive Board approved the recommended list of local union officers proposed by International President Hanley, for appointment to the ATU Convention Structural Exploration Committee.

The following local union officers will serve on the Structural Exploration Committee (also known as the Restructuring Committee): Steve Palonis, Bob Kinnear, William Nix, Bob Kelly, Ron Cox, Richard Gardner, Paul Bachtel, John Lee, Paul Harrington, Jackie Jeter, Esker Bilger, Danny Cassella, Curtis Howard, Ben Evans, Michelle Sommers, John Lyons, Jim Lindsay, Kenneth Day, Jonathan Dooley, Donnie Smalls, Kimberly Hearns, Nick Bye, Allan Medd, Sesil Rubain, Pennie Johnson, Bryan Walck, and Canadian Council Director Mike Mahar and New Jersey State Council Chair Ray Greaves.

AUDIT COMMITTEE REPORT ADOPTED

After discussion, upon a motion duly made and seconded, the members of the General Executive Board approved the report of the Audit Committee for the six-month period ended December 31, 2012.

DISCUSSION OF ATU INTERNATIONAL AUTOMOBILE POLICY FOR EXECUTIVE OFFICERS AND RELATED ISSUES

The international executive officers and members of the Board reviewed prior discussions about changing the prior practice of purchasing new cars for use by the executive officers from two to three years, and the lease versus “buy” option.

International President Hanley then reviewed and the Board discussed the facts and circumstances, and the legal and ethical allegations surrounding recent actions by International Executive Vice President (IEVP) Baker, to trade in “his” 2010 DTS Cadillac owned by ATU, at what was alleged to be well below market value and the subsequent purchase of the vehicle from the dealer at below market value, by International Vice President (IVP) Rauen. Both I EVP Baker and IVP Rauen presented their view of the events and issues involved.

MOTION ADOPTED TO PROVIDE INTERNATIONAL EXECUTIVE OFFICERS WITH AUTOMOBILES EVERY THREE YEARS POST CONVENTION

To conform to the requirements of Sections 8, 9, and 10 of the Constitution and General Laws with the three-year convention cycle and term of office, upon motion duly made and seconded, the members of the General Executive board approved the provision to each of the international executive officers, of a suitable automobile which is the property of ATU, once every three years in the month following their election to international office.

GENERAL DISCUSSIONS

The remainder of the session was devoted to discussions among the international executive officers and members of the Board. The meeting adjourned at 5:15 p.m., to reconvene at 9:00 a.m. on Thursday, May 9, 2013.

FOURTH SESSION

The meeting convened at 9:00 a.m. on Thursday, May 9, 2013. General Executive Board members present were Larry Kinnear, Javier Perez, Jr., Richard Murphy, Bob Hykaway, William McLean, Janis Borchardt, Paul Bowen, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, Gary Johnson, Sr., Robin West, John Costa, Charles Watson, Claudia Hudson, and Bruce Hamilton. International President Lawrence Hanley presided.

Also in attendance were International Executive Vice President Robert Baker, Sr., International Secretary-Treasurer Oscar Owens, General Counsel Robert
Executive Session

Motion to Refer the Allegations Surrounding the Automobile Trade-In and Purchase Issues Involving IEVP Baker, and IVP Rauen, and Related Matters to the Ethics Committee Appointed Pursuant to the Ethical Practices Code for International Officers and Staff (Code)

Meeting in executive session and after further discussion, upon motion duly made and seconded, the members of the General Executive Board approved the referral of the allegations involving IEVP Baker’s arrangement to trade in “his” 2010 DTS Cadillac at below market value and the subsequent purchase of the car by IVP Rauen at below market value, to the Ethics Committee for investigation and findings.

International Vice Presidents Kirk, Borchardt and Bowen were appointed to the Committee. Kirk was appointed chair. As provided for under the Ethics Code, the panel was charged with investigating the issues and reporting to the international president on whether there was reasonable cause to believe violation(s) of the Code had occurred.

Report on Strategic Research and Campaigns

David Welker, director of strategic research and campaigns, reported to the Board on the range of research, and campaign support activities undertaken by the Department involving the Restructuring Committee and private contractors and the demographics of ATU locals; the Atlanta anti privatization campaign; the Research Department’s contract and arbitration data base; assistance in evaluating RFP’s and investigation of potential issues and conflicts arising from various privatization initiatives, strategic corporate research; and coordinated and pattern bargaining.

Report by ATU Government Affairs Department

Jeff Rosenberg, director of government affairs, briefed the Board on ongoing activities in connection with pending federal transportation legislation; assistance to local unions with regard to state and local privatization efforts, including issues arising in Delaware, implicating Local 843 (Wilmington, DE); and Missouri involving Local 1287 (Kansas City, KS); and local ballot initiatives in Columbia, SC, Tacoma, WA, and Sylvania and Spenser, OH.

Re-regulation of Intercity Buses

International Vice President Bob Hyaway, led a discussion on the impact of over-the-road bus deregulation and renewed efforts to re-regulate the industry. Issues were discussed involving lost service; reduced entry and exit standards; lower insurance coverage; low wages and unsafe hours and service violations and destructive competition among carriers.

General Discussions

The remainder of the session was devoted to discussions among the international executive officers and members of the Board. Meeting adjourned at 5:00 p.m. to reconvene at 9:00 a.m. Friday, May 10, 2013.

Fifth Session

The meeting convened at 9:00 a.m. on Friday, May 10, 2013. General Executive Board members present were Larry Kinnear, Javier Perez, Jr., Richard Murphy, Bob Hykaway, William McLean, Janis Borchardt, Paul Bowen, Kenneth Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Yvette Salazar, Gary Johnson, Sr., Robin West, John Costa, Charles Watson, Claudia Hudson, and Bruce Hamilton. International President Lawrence Hanley presided.

Also in attendance were International Executive Vice President Robert Baker, Sr., International Secretary-Treasurer Oscar Owens, General Counsel Robert Molofsky, and Executive Assistant to the International President Lauri Straughan.

Also in attendance were International Representatives Anthony Withington, Dennis Antonellis, Stephan MacDougall, Anthony Garland, and Canadian Council Mike Mahar.
MacDougall, Anthony Garland, and Canadian Council Mike Mahar

**ATU 2013 CONVENTION PLANNING**

International President Hanley and members of the General Executive Board, continued their earlier discussion on proposed resolutions and convention planning, addressing issues involving the scope and number of committees, the expansive training component, and special events among other matters.

**REPORT OF THE GENERAL COUNSEL**

During the reporting period of July 1, 2012, through December 31, 2012, the Legal Department continued to provide counsel and representation to the International Union and ATU locals, in connection with a wide range of issues. We once again devoted considerable resources to the Section 13(c) processing of U.S. transit grants, and assisted local unions and outside counsel in the ongoing administration, interpretation and enforcement of employee protections applied to federal funding assistance to public transportation services.

We also handled a number of other litigation matters in which the International or its local unions were involved before the courts and administrative agencies.

Notably, the Legal Department processed an impressive total of 1,122 grant applications involving some 143 ATU local unions and the New Jersey Council during this reporting period.

Throughout the reporting period, the Legal Department otherwise responded to a multitude of inquiries concerning organizing drives, internal union elections and local officer fiduciary responsibilities, issues implicating the *National Labor Relations Act*, the *Family and Medical Leave Act*, the *Fair Labor Standards Act*, pension and 401(k) retirement plan rights, drug and alcohol testing requirements, and other federal, state and provincial labor law matters.

More specifically, General Counsel Robert Molofsky reported to the Board on major litigation developments, Section 13(c) case processing of U.S. transit grants and related Section 13(c) matters.

The Board was fully briefed on the Department’s considerable briefing and grant processing activities to enforce Section 13(c) protections in response to state legislative attacks on collective bargaining rights, including adverse legislation in Michigan and California curtailing our right to bargain as protected by Section 13(c) and the agreements entered into by the grantees and affected transit unions.

The Legal Department devoted considerable resources to develop supplemental Section 13(c) protective terms and conditions with Michigan grant recipients to cure the adverse effects on our bargaining rights. These efforts are detailed in the accompanying International President’s Report to the General Executive Board.

With respect to California, Molofsky briefed the Board on our ongoing efforts to address the serious consequences affecting the pension rights and benefits, and the scope of bargaining as protected by Section 13(c) arising from passage of the *Public Employees’ Pension Reform Act of 2013*.

Among other mandates the new pension reform law will require certain public employers to unilaterally implement changes to retirement benefits without first bargaining with their employee representatives including: raising the minimum retirement age, reducing benefits for new employees; imposing new formulas for calculating pensions affecting new employees and requiring certain contributions from employees equal to one-half of the normal cost of the plan, notwithstanding provisions in their negotiated agreements.

At the close of the reporting period the Department was preparing comprehensive briefs to convince the U.S. Department of Labor (DOL) as it did with respect to state law changes in Wisconsin, Michigan, Massachusetts and New Jersey, among others, to withhold grant certification until the state legislature amended the law to exempt public transit workers.

**MOTION APPROVED FOR PLAQUE IN HONOR OF EARL PUTNAM**

Upon motion duly made and seconded, the members of the General Executive Board approved a plaque to be hung at international headquarters, in memory of the late general counsel Earle Putnam, in recognition of his 33 years of distinguished and impressive service to the Union, and most especially for his contributions in securing passage and the subsequent enforcement of our Section 13(c) collective bargain and job rights protections.
REQUESTS FOR FINANCIAL ASSISTANCE

Local 1091 (Austin, TX)

Joneth Wyatt, president/business agent of Local 1091 (Austin, TX), requested financial assistance in the form of a six-month waiver of per capita tax, due to on-going labor and contract disputes with McDonald Transit. The local incurred significant legal expenses due to at least eight negotiation meetings and the filing of several unfair labor practices.

The General Executive Board, after careful review and consideration of the facts, voted to grant Local 1091 six months’ waiver of per capita tax.

Local 382, (Salt Lake City, UT)

Norman Blessant, financial secretary of Local 382 (Salt Lake City, UT), requested financial assistance due to costs associated with negotiations that have been ongoing for over a year, court costs, expenses related to the current year’s audit and debt owed to the former financial secretary.

The General Executive Board, after careful review and consideration of the facts, voted to grant Local 382 two months waiver of per capita tax.

Local 591 (Gatineau, QC)

Félix Gendron, president/business agent of Local 591 (Gatineau, QC), requested financial assistance due to exorbitant costs associated with mediation and expedited arbitrations with the Société de transport de l’Outaouais (STO), which resulted in the settlement of 99% of the over 140 grievances filed on behalf of Local 591 members.

The General Executive Board, after careful review and consideration of the facts, voted to grant Local 591 three months waiver of per capita tax.

TRUSTEESHIPS

Report on Local 241, (Chicago, IL) Trusteeship

International Vice Presidents Javier Perez and Marcellus Barnes presented a detailed summary of the ongoing efforts to address the financial, administrative and organizational issues underlying the trusteeship of Local 241. The trusteeship was continuing at the close of the reporting period.

Report on Local 1195, (Harrisburg, PA) Trusteeship

International Vice President Chuck Watson reported on the trusteeship of Local 1195. The local was trusted to address the financial, recording keeping and administrative functions of the local. During the reporting period, the only employer whose workers it represented, shut down and at close of the reporting period, Watson was in the process of winding it down, after which the trusteeship would end.

DISCUSSION WITH ATU PENSION PLAN ACTUARY

The international executive officers and Board members reviewed via telephone conference the recent actuarial report on the ATU Pension Plan, and discussed several of the assumptions underlying the funding status of the Plan.

REPORT BY CANADIAN COUNCIL DIRECTOR MIKE MAHAR

Canadian Council Director Mike Mahar presented a comprehensive report on Canadian Council activities, including its special research and training programs. Mahar highlighted the Council’s recent survey to identify new training needs and to better address the rising assaults on bus operators, mechanics and others in our workplaces; its expanding training agenda, and anti-violence-in-the-workplace programs.

He also reviewed on-going privatization battles, the campaign for a national funded federal transit assistance program, and efforts to re-regulate the over-the-road-bus sector.

GENERAL DISCUSSION

The remainder of the session was devoted to discussions among the international executive officers and members of the Board.

The meeting adjourned sine die at 5:15 p.m.

INTERIM ACTIONS AND RULINGS BY THE GENERAL EXECUTIVE BOARD

For the Period July 1, through December 31, 2012
1. **AUTHORIZATION FOR LOCAL 1360 (TOPEKA, KS) TO RETAIN A LOWER DUES STRUCTURE**

Under the authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 18.3 of the Constitution and General Laws, on July 2, 2012, Local 1360 (Topeka, KS) was granted permission to retain a lower dues structure.

2. **AUTHORIZATION TO ADOPT THE FINDINGS AND DETERMINATIONS OF THE HEARING OFFICER IN THE MATTER OF THE TRUSTEESHIP OF LOCAL 1195 (HARRISBURG, PA)**

Upon a polling of its membership conducted pursuant to Section 12.6 of the Constitution and General Laws, on July 17, 2012, the General Executive Board authorized International President Hanley, to adopt the Findings and Determinations of the hearing officer to place Local 1195 (Harrisburg, PA) in temporary trusteeship effective July 17, 2012.

3. **AUTHORIZATION TO TERMINATE THE TRUSTEESHIP OF LOCAL 1593 (TAMPA, FL)**

Upon a polling of its membership conducted pursuant to Section 12.6 of the Constitution and General Laws, on August 31, 2012, the General Executive Board authorized International President Hanley, to terminate the trusteeship of Local 1593 (Tampa, FL) effective September 4, 2012.

4. **AUTHORIZATION FOR LOCAL 1070 (INDIANAPOLIS, IN) TO ENTER INTO INTEREST ARBITRATION**

Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 19.2 of the Constitution and General Laws, on August 24, 2012, Local 1070 (Indianapolis, IN) was authorized to enter into interest arbitration with the Indianapolis Public Transportation Corporation/Indygo.

5. **AUTHORIZATION FOR LOCAL 1765 (OLYMPIA, WA) TO ENTER INTO INTEREST ARBITRATION**

Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 19.2 of the Constitution and General Laws, on August 24, 2012, Local 1765 (Olympia, WA) was authorized to enter into interest arbitration with Intercity Transit.

6. **AUTHORIZATION FOR LOCAL 1385 (DAYTON, OH) TO ENTER INTO FACT-FINDING**

Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 19.2 of the Constitution and General Laws, on October 5, 2012, Local 1385 (Dayton, OH) was authorized to enter into fact-finding with the Greater Dayton Regional Transit Authority.

7. **AUTHORIZATION FOR LOCAL 1342 (BUFFALO, NY) TO ENTER INTO AN AGREEMENT EXCEEDING THREE YEARS**

Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 33.1 of the Constitution and General Laws, on October 17, 2012, Local 1342 (Buffalo, NY) was authorized to enter into an agreement exceeding three years, with Coach USA – Erie.

8. **AUTHORIZATION FOR LOCAL 1722 (KELOWNA, BC) TO ENTER INTO AN AGREEMENT EXCEEDING THREE YEARS**

Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 33.1 of the Constitution and General Laws, on October 17, 2012, Local 1722 (Kelowna, BC) was authorized to enter into an agreement exceeding three years, with Nicola Valley Transit.

9. **AUTHORIZATION FOR LOCAL 725 (BIRMINGHAM, AL) TO ENTER INTO AN AGREEMENT EXCEEDING THREE YEARS**

Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 19.2 of the Constitution and General Laws, on October 18, 2012, Local 725 (Birmingham, AL) was authorized to enter into interest arbitration with the Birmingham-Jefferson County Transit Authority (BJCTA).

10. **AUTHORIZATION FOR LOCAL 282 (ROCHESTER, NY) TO ENTER INTO INTEREST ARBITRATION**

Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 19.2 of the Constitution and General Laws, on October 19, 2012, Local 282 (Rochester, NY) was authorized to enter
into interest arbitration with the Regional Transit Service, Inc.

11. AUTHORIZATION FOR LOCAL 1575 (SAN RAFAEL, CA) TO ENTER INTO AN AGREEMENT EXCEEDING THREE YEARS
Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 33.1 of the Constitution and General Laws, on October 19, 2012, Local 1575 (San Rafael, CA) was authorized to enter into an agreement exceeding three years with MV Transportation.

12. AUTHORIZATION FOR LOCAL 308 (CHICAGO, IL) TO ENTER INTO INTEREST ARBITRATION
Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 19.2 of the Constitution and General Laws, on October 23, 2012, Local 308 (Chicago, IL) was authorized to enter into interest arbitration with the Chicago Transit Authority.

13. AUTHORIZATION FOR LOCAL 256 (SACRAMENTO, CA) TO ENTER INTO AN AGREEMENT EXCEEDING THREE YEARS
Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 33.1 of the Constitution and General Laws, on November 9, 2012, Local 256 (Sacramento, CA) was authorized to enter into an agreement exceeding three years, with Veolia – Yolo County Transportation District (YOLOBUS).

14. AUTHORIZATION FOR LOCAL 956 (ALLENTOWN, PA) TO ENTER INTO AN AGREEMENT EXCEEDING THREE YEARS
Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 33.1 of the Constitution and General Laws, on December 10, 2012, Local 956 (Allentown, PA) was authorized to enter into an agreement exceeding three years, with the Lehigh and Northampton Transportation Authority (LANTA).

15. AUTHORIZATION FOR LOCAL 618 (PROVIDENCE, RI) TO ENTER INTO AN AGREEMENT EXCEEDING THREE YEARS
Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 33.1 of the Constitution and General Laws, on December 10, 2012, Local 618 (Providence, RI) was authorized to enter into an agreement exceeding three years, with Warwick and First Student, Inc. – Warwick.

16. AUTHORIZATION FOR LOCAL 1309 (SAN DIEGO, CA) TO ENTER INTO AN AGREEMENT EXCEEDING THREE YEARS
Under authority vested in International President Hanley, by action of the General Executive Board and pursuant to Section 33.1 of the Constitution and General Laws, on December 11, 2012, Local 1309 (San Diego, CA) was authorized to enter into an agreement exceeding three years, with Veolia Transportation – Ell Cajon.
FIRST SESSION

The meeting convened at 10:00 a.m. on Saturday, June 30, 2013. Board members present were Larry R. Kinnear, Javier M. Perez, Jr., Richard M. Murphy, Bob Hykaway, William G. McLean, Janis M. Borchardt, Paul D. Bowen, Marcellus Barnes, Rafael Rivera, Gary Johnson, Sr., Robin West, John A. Costa, Charles E. Watson and Bruce Hamilton. International President Lawrence J. Hanley presided.

Also in attendance were International Executive Vice President Robert H. Baker, Sr., International Secretary-Treasurer Oscar Owens, General Counsel Robert Molofsky, and Executive Assistant to the International President Lauri Straughan.

INTRODUCTORY REMARKS BY INTERNATIONAL PRESIDENT HANLEY

International President Lawrence Hanley reviewed the agenda for the special two-day meeting including:

a) consideration of the recommendations of the three-member Hearing Panel, appointed by International President Hanley, pursuant to the provisions of the Ethical Practices Code (Ethics Code) for ATU International Officers and Staff, to determine the facts involving allegations of wrongdoing by International Executive Vice President (IEVP) Baker and International Vice President (IVP) Gary Rauen; and

b) discussion of the necessity of forming ATU industry councils composed of local unions representing employees of a common employer and;

c) continued support for the non-profit organization, Americans for Transit; strike sanctions and training at the International Convention.

CONSIDERATION OF ETHICS COMMITTEE HEARING PANEL’S FINDINGS AND RECOMMENDATIONS INVOLVING ALLEGED VIOLATIONS OF THE ATU ETHICS CODE

International President Hanley initially reviewed the process to date, including a motion approved by the General Executive Board at its May 2013, meeting to refer allegations of wrongdoing by IEVP Baker and IVP Rauen to the Ethics Committee for investigation, as provided for under the Ethics Code; the subsequent referral of the matter by the Ethics Committee to the International President, with a finding of reasonable cause to believe violations of the Code had occurred; the appointment of the three-member Hearing Panel; the June 11, 2013, Hearing held in Washington, DC; and the Panel’s recommendations for consideration by the General Executive Board. Copies of the hearing transcript and exhibits were provided to all board members.

MOTIONS TO ADOPT RECOMMENDATIONS OF THE HEARING PANEL APPROVED

Following a comprehensive review of the facts and circumstances involving the allegations; an opportunity for IEVP Baker and IVP Rauen to address the Board to present their views of the events, issues and policies involved in their respective allegations and response to questions; a review of the transcript and exhibits; the members of the General Executive Board, by separate motions, adopted the recommendations of the Hearing Panel to suspend both IEVP Baker and IVP Rauen for 30 days without pay effective July 1, 2013, for violations of their fiduciary responsibilities and the Ethics Code, involving their actions surrounding IEVP Baker’s trade-in of a 2010 DTS Cadillac owned by the Union, and IVP Rauen’s acts undertaken to purchase that car from the dealer.
MOTION APPROVED TO PROVIDE
FINANCIAL SUPPORT TO LOCAL 583
(Calgary, AB) TO ASSIST ATU
FLOOD VICTIMS

Upon motion duly made and seconded, the members of the General Executive Board approved a $20,000 contribution to Local 583 (Calgary, AB) for distribution to ATU members and their families harmed by the extraordinary recent floods affecting Calgary, AB and the nearby vicinity.

MOTION TO PROVIDE CONTINUED
SUPPORT TO AMERICANS
FOR TRANSIT

Following a summary review by International President Hanley of Americans For Transit accomplishments over the past year, including its work with ATU locals and community organizations, and building coalitions on behalf of pro-transit initiatives, upon motion duly made and seconded, the members of the General Executive Board approved a continuing contribution of $50,000 in support of the organizations' efforts and activities.

GENERAL DISCUSSIONS

The remainder of the session was devoted to discussions among the international executive officers and members of the Board. The meeting adjourned at 5:00 p.m. to reconvene at 9:00 a.m. on Sunday, June 30, 2013.

SECOND SESSION

The meeting convened at 10:00 a.m. on Sunday, June 30, 2013. Board members present Larry R. Kinnear, Javier M. Perez, Jr., Richard M. Murphy, Bob Hykaway, William G. McLean, Janis M. Borchardt, Paul D. Bowen, Kenneth R. Kirk, Gary Rauen, Marcellus Barnes, Rafael Rivera, Gary Johnson, Sr., Robin West, John A. Costa, Charles E. Watson, Claudia Hudson, and Bruce Hamilton. International President Lawrence J. Hanley presided.

Also in attendance were International Executive Vice President Robert H. Baker, Sr., International Secretary-Treasurer Oscar Owens, General Counsel Robert Molofsky and Executive Assistant to the International President Lauri Straughan.

Director of Strategic Research and Campaigns David Welker and ATU Consultant Bob Muelenkamp were also in attendance for special presentations and discussions.

International Vice Presidents Kenneth Kirk and Claudia Hudson were excused from attending.

DISCUSSION ON PENDING
NEGOTIATIONS INVOLVING
OAKLAND, CA, LOCALS 1555 WITH
BART: 192 WITH AC TRANSIT, AND
APPROVAL OF STRIKE SANCTIONS

International President Hanley reviewed the history and current status of the negotiations with BART and AC Transit. International Representative Tony Withington also briefed the Board via telephone conference.

Following a review of the issues, current positions of the employers upon motion duly made and seconded, the members of the General Executive Board approved strike sanction for Local 1555 (Oakland, CA); and upon separate motion duly made and seconded, approved strike sanction for Local 192 (Oakland, CA), subject to their compliance with the obligations to initially request arbitration and strike option available upon employer’s refusal to arbitrate.

PRESENTATIONS AND DISCUSSION
ON THE NECESSITY FOR ATU
INDUSTRIAL COUNCILS

Director of Strategic Research and Campaigns Welker and ATU Consultant Muelenkamp gave special presentations to the Board on the rising number of ATU bargaining units represented by five multinational and national transit companies, and the advantages of forming new structures within the International Union to more effectively address the many issues raised.

Both Muelenkamp and Welker, stressed the advantages of forming a series of councils among ATU locals representing members of a common employer as proposed by President Hanley, and reviewed ways in targeted research and coordinated bargaining in both community and national campaigns to address these and other privatization issues that would benefit from such structures.

Amplifying their presentation, President Hanley and the Board discussed the ways such structures could
improve information sharing on contract language, bargaining strategies, and grievance arbitration through focused education and training programs.

The Board then engaged in a wide ranging discussion affirming the need for such councils, expansion of ATU education and training programs, and increasing the Union’s capacity to provide research and campaign support to ATU locals in the transit, para transit, school bus and over-the-road sectors.

GENERAL DISCUSSIONS

The remainder of the session was devoted to discussions among the international executive officers and members of the Board.

The meeting adjourned sine die at 5:00 p.m.