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and Services Division Director

JOHN M. CONLEY
International Vice President
Administrative Assistant to the
International President

TRANSPORT WORKERS
UNION OF AMERICA
AFL-CIO

International Headquarters
& Offices of the Railroad
Division & Transit Utility,
Universities and Service
Division
501 3rd Street NW, 9th Floor
Washington, DC 20001
202.719.3900

Regional Headquarters Air
Transport Division
1791 Hurstview Dr.
Hurst, TX 76054
817.282.2544

www.TWU.org



September 4, 2012

To: All Local Presidents

Re: Pre-Funded Retiree Medical Contributions

Dear Brothers:

Unfortunately we have had an issue with misinformation being disseminated to the membership and I have been receiving calls. The newly ratified TWU/AA agreements, approval of which is scheduled for hearing before the Bankruptcy Court next week, provides that TWU Members who are participants in the prefunding program will receive their own contributions plus investment earnings and the employer contributions plus investment earnings, subject to "successful conclusion of the 1114 process."

Please note that some of the misinformation circulating appears to arise from the fact that the original prefunding agreement states that one of the potential uses of the employer money would be to secure alternative retiree medical coverage in the event the trust is terminated; such a program, the original agreement is clear, must be agreed to by the parties. It is in connection with this provision that several Local Presidents have asked that we investigate whether it is possible to secure an alternative retiree medical program. Let us make absolutely clear, right here and now, so there can be no misunderstanding: any such program is subject to TWU's agreement to it; and TWU will only agree to any alternate program if participation in it by individual members is **COMPLETELY VOLUNTARY**. We will not permit enactment of any program that would interfere with distribution of the employer contribution back to any employee, absent that employee's individual authorization.

Fraternally,

Donald M. Videtich
International Representative
Transport Workers Union of America, AFL-CIO

DMV:kla opeiu 153 afl-cio

C: J. Little J. Gordon
G. Drummond R. Gless
D. Rosen ATD Staff