

9/14/10

TCU RESOLUTION

WHEREAS, as a result of railroad mergers, bankruptcies and the introduction of new technology, the membership of the Transportation Communications Union ("TCU") has declined from its historic height of hundreds of thousands of members forty years ago to 46,000 members today; and

WHEREAS, our membership is projected to continue to decline at the rate of 2,000 per year, significantly reducing our revenue, while many of our financial obligations will continue to increase; and

WHEREAS, our merger with the far larger International Association of Machinists and Aerospace Workers ("IAM") has enabled us to consolidate many of our professional and administrative functions, allowing us to increase service to our members, while achieving significant savings for the TCU; and

WHEREAS, in conjunction with the total restructuring of our union beginning in 2005 and continuing to this day, National President Robert A. Scardelletti has substantially reduced the number of staff and officers and lowered overhead costs, at a

savings of millions of dollars to the TCU, without sacrificing service to the membership;
and

WHEREAS, as a result of the economic climate, the last IAM convention voted to increase the per capita tax to be paid to the IAM Grand Lodge by \$6 per member per month, which will become an obligation of the TCU as an affiliate of the IAM; and

WHEREAS, National Secretary-Treasurer Russell Oathout and our certified public accounting firm have provided comprehensive financial reports, which we have considered, together with the report of the TCU Transition Team, which show that despite the savings achieved through our merger with the IAM and TCU's best efforts to reduce costs through a number of austerity measures, unless we raise revenue, we will face a shortfall of approximately \$4.5 million per year in meeting our financial responsibilities beginning in 2012; and

WHEREAS, it is imperative that the TCU continue to have the financial strength and stability to represent our members by continuing to preserve employment in the transportation industry, to negotiate industry leading collective bargaining agreements on behalf of our members, and to protect railroad retirement for our members and their families; and

WHEREAS, pursuant to Article 16, Section 3(b) of the TCU Constitution, the Executive Council is authorized to levy such general assessments in such reasonable amounts as it deems appropriate.

NOW, THEREFORE BE IT RESOLVED THAT, in light of all the foregoing, the TCU Executive Council finds it necessary to hereby levy a general assessment to become effective April 1, 2011, of \$10 per member per month, subject to the National President's authority to grant exemptions pursuant to Article 25, Section 3(b) of the TCU Constitution in the event of extraordinary circumstances, in order to stabilize the finances of the TCU and to responsibly meet its future financial obligations, while maintaining the highest level of representation on behalf of our members in the transportation industry.