



## Brotherhood of Maintenance of Way Employees Division of the International Brotherhood of Teamsters

Freddie N. Simpson  
*President*

Perry K. Geller, Sr.  
*Secretary-Treasurer*

January 11, 2010  
(via U. S. Mail and facsimile)

Honorable Nancy Pelosi  
Speaker  
United States House of Representatives  
Washington, DC 20515

Dear Madam Speaker:

I am writing to you today as both the President of the Brotherhood of Maintenance of Way Employees Division, International Brotherhood of Teamsters and as a life-long Democrat, to share my fear about the electoral fallout if the excise tax on so-called "Cadillac" health insurance plans is included in the health reform legislation. If the excise tax is included and imposes any kind of tax or penalty on collectively bargained health care plans, I am certain that my members, and countless other union members across the country, will feel betrayed.

My members participate in a multi-employer, self-funded health insurance plan which is national in scope. That plan, which covers virtually all railroad employees and their families, has been in place since 1954, and provides them with affordable benefits. The benefits provided under the railroad plan can in no way be described as overly generous, and, like all other working Americans, my members struggle with the cost of health insurance and how to afford the costs of health care not covered by insurance. Today, members of my Union earn about \$45,000 a year and already pay \$200 monthly towards insurance premiums, and, obviously, pay additional amounts in co-pays and deductibles for doctor visits and prescription drugs. Because railroad work is dangerous and the demographics of the railroad workforce include many ageing "baby boomers", our experts tell us that my members' health insurance plan will immediately or very soon exceed the "Cadillac" threshold for excise taxes in the Senate bill.

In the last Presidential campaign I personally told the members of my Union that I was endorsing Senator Barack Obama because his opponent, Senator McCain, announced that he would tax healthcare benefits and Senator Obama would not. I cannot overstate how that message resonated with my membership. And, certainly, it did not hurt that Senator Obama said he would not raise taxes for any family earning less than \$250,000 a year. Disastrously, the excise tax does exactly what I told my members Senator Obama promised he would never do.

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I must warn you that passage of an excise tax on so-called "Cadillac" plans will result in a massive defection of my members from the Democratic Party. Whether they stay home or vote Republican matters very little, because what is important is how betrayed they will feel by the President and the Democratic Party. I certainly cannot urge them in good conscience to vote Democratic after Democrats impose a tax on healthcare benefits, something I warned them only the Republicans would do.

I am writing to beseech you to defend collectively bargained healthcare plans. For the sake of my members, and the sake of the Democratic Party, I hope you can successfully resist imposition of the excise tax on so-called "Cadillac" health insurance plans.

Sincerely,



President

cc: Mr. James P. Hoffa – International Brotherhood of Teamsters  
Mr. John Murphy – International Brotherhood of Teamsters  
Mr. Perry K. Geller, Sr., Brotherhood of Maintenance of Way Employees – International Brotherhood of Teamsters  
Mr. D. L. Hamilton – International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers  
Mr. William Bohne – International Brotherhood of Electrical Workers  
Mr. George J. Francisco, Jr. – Firemen and Oilers Conference, Service Employees International Union  
Mr. Paul T. Sorrow – Brotherhood Locomotive Engineers and Trainmen, International Brotherhood of Teamsters  
Mr. Robert Roach, Jr. – International Association of Machinists and Aerospace Workers  
Mr. Dewey Garland – Sheet Metal, Air, Rail and Transportation International Union  
Mr. W. Dan Pickett – Brotherhood of Railroad Signalmen  
Mr. F. Leo McCann – Train Dispatchers Association  
Mr. James C. Little – Transport Workers Union  
Mr. R. A. Scardelletti – Transportation-Communications International Union  
Mr. Mike Futhey – United Transportation Union