

MAY. 31. 2005 1:56PM

C-FS, WAB (GRIFFIN, SUP faxed)

NO. 9563 P. 1/2

WAH

NATIONAL RAILROAD PASSENGER CORPORATION

60 Massachusetts Avenue, NE, Washington, DC 20002
tel 202 906.3960 fax 202 906.2850



David L. Gunn
President and Chief Executive Officer

May 26, 2005

Mr. Freddie N. Simpson
President
Brotherhood of Maintenance of Way Employees Division
Of the International Brotherhood of Teamsters
23000 Civic Center Drive, Suite 320
Southfield, MI 48076

RECEIVED

MAY 31 2005

BMW

Re: BMWED/Amtrak bargaining

Dear Mr. Simpson:

Thank you for your May 5, 2005, letter regarding contract negotiations.

Throughout negotiations, Amtrak has provided **proposals** on a variety of benefit and work rule issues necessary to improve productivity, **control** costs and improve our operating efficiency. **Virtually** every one of our proposals has been summarily rejected by the Organization. In fact, the Organization has not moved from its position that the **BMW** freight **settlement**, without work rule **changes**, should apply on Amtrak.

In May 2004, we advised that adoption of the BMW freight settlement would place wage rates substantially behind other crafts, upsetting compensation structures and exacerbating recruiting and retention problems in the craft. We provided a **comprehensive proposal**, patterned on the wage and benefit provisions of contract settlements reached on Amtrak covering more than one-third of the work force. Our work rule provisions of that proposal were substantially modified in an effort to reach a **settlement**. However, this too was summarily rejected by the Organization.

Amtrak is operating in an environment of substantial scrutiny and uncertain financial conditions. Clearly, cost containment and productivity improvements; such as controlling the spiraling cost of health care, flexibility in work schedules, workable methods of filling vacancies, controlling overtime and other issues covered in our settlement **proposal** are more important than ever before. Amtrak has **also** presented its Strategic Reform **Initiatives** to Congress, which incorporates these concerns.

The Organization's cooperation in addressing Amtrak's needs is vital to our survival, and we stand ready to resume bargaining when the BMWED demonstrates a **willingness** to engage in meaningful negotiations. Arbitration is no way for contract negotiations to be resolved in the fiscal environment and reform discussions under which Amtrak presently exits.

SCANNED

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Mr. Freddie N. Simpson
May 26, 2005
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I appreciate the opportunity to respond to you and look forward to the Organization's cooperation in addressing these issues that are vital to Amtrak's survival.

Sincerely,

A handwritten signature in black ink, appearing to read "David L. Gunn". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

David L. Gunn
President and Chief Executive Officer