

1. Direct Deposit -- There is a small administrative savings equal to the cost of producing 3,762 paychecks per month; is there an offsetting bank charge for direct deposit? Do you have an estimate of the net savings?

The cost savings derive from the elimination of the need to issue lost checks. Payroll estimates an annual savings of \$66,000 (\$14,000 for check stock, \$7,000 for stop payments and \$45,000 in clerical labor involved with reissuing lost pay checks).

2. General Training/Examination Rule -- There are currently rules and practices in place re non-discrimination in hiring, training requirements, probation, bid freeze etc. We are not sure of the proposed change. If it has to do with extending bid freezes (requiring successful bidders to stay in a position for a certain period of time before bidding out) then we need experience info regarding the churn or turnover between positions.

The BMW is well aware of our proposed rule. Amtrak seeks the same training and examination rule as we have in place with most of the shop crafts, clerical employees and supervisors. Our proposal simply recognizes that we may direct employees to attend any training Amtrak deems necessary, at such times and locations as may be required, and may alter tours of duty or workweeks as necessary to accommodate training. The proposal is of mutual benefit as it facilitates employees keeping their qualifications up to date and enables Amtrak to more productively and efficiently schedule training and examinations. As Amtrak has already prevailed in arbitration regarding the appropriate rate of pay for attendance at training, this does not result in a cost savings to Amtrak, or a reduction in compensation for employees.

3. Emergency Force Reductions -- Assuming we properly understand the proposal, this is agreeable; we believe it conforms to present practice and thus produces no incremental savings. Do you agree?

Yes. The proposal simply confirms that once the emergency conditions end, all employees return to the positions they occupied prior to the emergency.

4. Platform Truck Agreement -- Assuming the new classification carries the current equivalent compensation; this is agreeable and produces no incremental savings.

Amtrak's proposal is to roll into the current rate the equivalent of the current 12 cent differential as well as the 30 minutes of overtime paid for maintenance of the vehicle. There is no incremental savings; in fact, it will result in a higher cost to Amtrak as the higher rate will apply to overtime hours, based on the inclusion of the 30 minutes of overtime in the basic rate. Amtrak's benefit from increasing the hourly rate is to facilitate filling vacancies.

5. ET Work Zones -- This issue presents a complex valuation exercise involving the following questions: To what extent would the Company expand existing zones under the proposal? Are present ET gangs fully utilized within zones; working 8 hour days plus OT; or are they regularly furloughed when worked is completed within zone and thus unavailable to meet demand in another zone? If fully utilized today, are there any productivity (i.e. reduced headcount) savings? If current travel allowance rules remain unchanged, do these costs rise with expanded zones? Assuming extending daily work commutes diminishes the "quality" of working conditions, will there be an offsetting cost to recruitment and retention within a class which already has high turnover?

Amtrak's proposal is to have the following ET work zones:

- Sunnyside to Union (MP 20.7)
- Union to Holmesburg, PA (MP 76)
- Holmesburg to Ragan (MP 29.3) and to Paoli (MP 18.9)
- Paoli to Harrisburg
- Ragan to Gunpow (MP 79.0)
- Gunpow to Washington Terminal

The changes in work zones brings them more in line with those of track and B&B sub-departments for administrative efficiencies (such as reducing the current 20 overtime call lists) and better deployment of existing forces. Amtrak has not furloughed ET employees in more than 20 years and the changes in work zones will not result in reductions in ET forces.

6. Relay Electrician -- Is there enough work within the present class to support a full time position? If not, how many extra man hours are produced with cross utilization? Which class will perform the job under the proposal? How do the rates of pay compare? Can any electrician perform the work, or must additional training/qualifications be obtained?

There are currently 7 Relay Electricians on Amtrak. With changes in the technology to microprocessors, these numbers have been and will continue to decline. It is Amtrak's desire to eliminate the classification by attrition, by affording current incumbents training to become Electronic Technicians and the remaining Relay work would be assigned to the Technician Class for more effective utilization of employees and skills.

7. Temporary Vacancies -- With the right language, balancing this with a right to fill vacancies in the exercise of seniority, this is agreeable; but is it a mere administrative convenience or does it save money?

The proposal is more of an administrative convenience -- simply eliminating the constant advertisement of positions which are already occupied. However, Amtrak cannot agree to waive our right to decline an employee's request to fill a vacancy, particularly where the services of that employee are more vital on their current position.

8. Assignment Rule -- What is the experience? How often does a vacant assignment go to OT because of inability to assign to a junior employee at flat time? Do we know how many hours are involved?

Amtrak's most recent estimate, based on the frequency of key positions being vacant with no bidders, amounts to approximately \$560,000 in added overtime costs annually. As we previously advised the BMW, the ability to assign employees to positions for which qualified ensures that vacancies will be filled and gives Amtrak a return on its training investments. If the BMW is opposed to affording Amtrak the right to assign employees to vacancies for which employees have seniority or for which they were trained, it may be appropriate to again require that employees hold the highest rated position for which they have seniority.

9. 3x12 gangs -- Where does outage require 12 hour period? Frequency? Why not cover with 4x10 at less cost? I do not understand purpose of proposal unless the Company is looking to recruit moonlighters.

Due to traffic patterns, Amtrak is required to perform most rehabilitation work at times when a track can be taken out of service without adversely affecting train performance. This applies not only to work on the tracks, but for bridge and facility work (B&B) as well as catenary and signal improvements. These outages generally commence at approximately 10:00 p.m. Friday night through 5:00 a.m. Monday morning (55 hour continuous outage), when the track must be returned for train operations. This occurs at various locations on every operating division on almost every weekend throughout the year. The ability to establish dedicated gangs (1 day & 1 night) for continuous around the clock work on these types of projects, is vital to productive performance. Reliance on employees willing to work overtime at their convenience precludes accurate planning, reduces gang continuity and efficient performance.

10. Weekend work -- How much was spent on non-emergency OT on weekends last year?

Amtrak does not have breakdowns of emergency vs. non-emergency weekend overtime. However, as noted above, traffic patterns (including Amtrak and the various commuter agencies operating on the Northeast Corridor as well as at Chicago) during the Monday to Friday period make productive work virtually impossible. While there was a period where work could be accomplished at night Monday to Friday, the available time windows in which to work at night are becoming more severely limited by Amtrak, commuter and freight movements. In order to efficiently maintain the railroad, it is necessary that Amtrak have the ability to include Saturdays and Sundays as part of the regular work week. The need to work Saturday and Sunday was recognized in a previous Amtrak PEB, but because traffic patterns at the time permitted much of the work to be accomplished at night, we settled for Saturday or Sunday, rather than both, as an acceptable compromise. However, the change in operating conditions coupled with our need to be more efficient mandates that we have the right to establish assignments with work schedules that meet operating conditions.

11. Starting Times to Cover AM Peak -- Does current contract permit start time to cover AM? If so, how are savings achieved? Or will these be split days? If so, what will be maximum "outside time"? How many man hours will be produced with split shift?

The current contract permits starting times between 6:00 a.m. – 8:00 a.m. Because of the substantial increases in commuter traffic as well as Amtrak frequencies, a 6:00 a.m. start is at the height of "commuter" operations. Amtrak seeks the ability to start as early as 4:00 a.m. in order to have employees on duty and in place, available to respond to operational needs. Similarly, we seek the ability to establish a later starting time – approximately 10:00 a.m. for maintenance, test and inspection type operations, so that productive work can be performed after the "rush hour" period. Accordingly, we propose starting time windows of 4:00 a.m. to 10:00 a.m.; Noon to 6:00 p.m.; and 7:00 p.m. to Midnight.

12. OT After 40 -- Need experience. How much OT is paid after 8 per day to those not working 40 during the week?

Amtrak's most recent calculation (12/05) shows that \$782,000 in overtime was expended to employees who did not have 40 hours of straight time pay in the same work week as the overtime payment. The savings would be the premium portion, or approximately \$260,000 annually.

13. Bridge Rehab Gang -- Is present gang underutilized? If so, how many heads are reduced with cross-utilization; or alternatively, extra man hours produced?

The current rule limits the effective utilization of these gangs. The territorial limits (can only work on one operating division) absence of Special Construction Agreement provisions (no flexibility on starting times and workweeks) coupled with the limitation on work that the gangs may be used to perform (only major construction or rehabilitation of stations or bridges) reduces productivity. In

cases of scheduling conflicts between projects, such as waiting for back ordered materials, Amtrak has sought to utilize the gang for other productive capital improvement work, but those efforts were rejected by the BMW. Production gangs for Track, B&B and ET should all work under Rule 90 A type provisions and be available for use on any capital improvement work.

14. Work site Reporting -- At which locations is parking impractical? And how much travel time was paid last year to these locations? What was the total travel time pay-out last year?

Where employees are afforded lodging, the lodging facility is the headquarters. Because not all employees utilize lodging, we have had problems with a number of lodging facilities in connection with complaints about "non-guests" parking at the lodging facility. The right to designate assembly points near the work location would eliminate those problems while enable Amtrak to assemble all employees for the required job briefing. No travel time has been paid in connection with these problems. Similarly, for certain positions where employees are assigned a vehicle which they are authorized to take home, it makes little sense to require them to drive to a designated headquarters rather than travel directly to the work site to commence the tour of duty. It does not reduce the employee's compensation, but reduces productivity and efficiency.

15. Shift Change -- How often was present rule regarding the two hour window used last year? What are circumstances necessitating expansion of rule?

As indicated during our discussion, we seek the right to direct temporary changes in shifts. For example, a gang may normally work at night on various projects in their territory. However, in certain municipalities, night work may be contrary to local "noise" ordinances. Where such projects are of short duration, it makes sense to simply temporarily change the shift of the gang from nights to days to facilitate that project. The current rule mandates that the gang be abolished and re-advertised. This adversely affects gang continuity, productivity and performance. Rules permitting temporary changes in assignment are already in place with other crafts, including BRS and ARASA(MW).

16. Absenteeism and D&A Cases -- How many such cases last year? How many pending? What is average length of time required under present practice?

Employees charged during CY2005 and dismissed (unsettled unions)

	D&A	ABS	BOTH
ARASA-ME	1	2	3
ARASA-MW	1	0	1
BLE	2	2	4
BMWE	9	5	14
BRS	1	1	2
IAM	2	0	2
IBEW	3	3	6
JCC	5	6	10
NCFO	3	2	5
UTU	4	3	7
Total	31	24	54

D&A Handling info

14 were appealed to Board, on average 231 days after the employee was first charged. 4 are pending resolution. 1 was compromised on appeal. 4 were never appealed. 8 expired on time limits at some stage of appeal.

Absenteeism Handling info

11 were appealed to Board, on average 252 days after the employee was first charged. 1 is pending resolution. 4 were compromised on appeal. 5 were never appealed. 1 expired on time limits after the director's denial. 2 were moot due to dismissals on other charges.

17. Employees Withheld From Service -- How many such cases last year? How many pending? What is average length of time withheld with pay?

During 2005, there were 111 cases where BMW employees were withheld from service pending investigation. Payments in connection with those cases amounted to \$80,500. Amtrak's position is that it is inappropriate to grant an employee a paid vacation for committing a major offense. We are willing to agree to restrictions on when employees can be removed from service and establish controls so that management postponements of disciplinary proceedings do not cause undue hardship to the employee.

18. Holiday Work Requirement -- Experience? Frequency of absence before and after holiday? What are recorded reasons for not completing scheduled day before and after?

This is a change Amtrak is seeking with all crafts. Recent calculations indicate that during 2005, Amtrak paid \$915,000 in holiday pay to employees who failed to work their entire tour of duty the day preceding and/or following the holiday. This included \$111,000 paid to BMW employees. Additionally, there was \$276,000 in lost productivity on the days preceding and following the holidays, including \$41,000 for BMW employees. We expect employees to fulfill their assignment obligations unless authorized to leave by a proper carrier official. As examples of problems in this area, in 2003, on the day before the Thanksgiving Holiday, Amtrak scheduled hearing tests for the Lancaster Tie/Rail gang in the morning and specifically advised the gang of the need to perform quality control work prior to their release. However, several key operators left immediately after the hearing test, making it impossible for any productive work to be performed. Similarly, on the day before Christmas Eve 2003, a New York Electric Traction gang reported for duty but left after just 2 hours without notice to or permission from management. Stricter qualifying requirements may reduce such abuse.

19. Contracting Out -- Which current functions/jobs performed within would be targeted for sub-contracting? Man-hours required to perform this work? Are vendor costs available for these functions? Even old estimates are useful.

Consistent with congressional mandates, Amtrak seeks the following modifications on contracting out work:

- **Clear right to contract out fringe work - non-traditional railroad work such as :**
 - **Cat Pole foundation installations**
 - **Tree removal/brush cutting**
 - **Snow removal-plowing parking lots, cleaning station platforms**
 - **Fencing**
 - **Grass cutting**
 - **Right-of-way cleanup**
 - **Buildings – large projects such as roof replacements, major rehabs**
 - **Carpeting**
 - **Demolition**
 - **Asphalt paving**
 - **Asbestos removal**
 - **Lead abatement**

- Steel preparation and painting
- Bridge netting for fall protection
- Underwater inspections
- Work incidental to Contract work
- **On large projects, clear recognition of Amtrak's right to contract entire projects (turn-key) and not be required to negotiate small portions of work within major projects for local forces.**
- **Flexibility to eliminate notice requirements for small jobs at remote locations and work not regularly performed by the crafts.**

OVERTIME

In addition to the above we need a breakdown by craft of overtime either as a percent of payroll or in hours. If you have internally produced a version of the old Form 300 by detailed reporting division, that will provided all the necessary info on OT and headcounts etc.

The attached tables provide a company-wide breakdown of the FY06 hours worked and Dollars paid for hours worked. In each case Overtime has been calculated as a percentage of Straight time and Total time. As you can see, by any measure the Overtime worked by the employees represented by the BMW, BRS and ARASA-MW is substantially greater than that worked by any other employee group. BMW represented employees alone, worked over 800,000 hours of overtime, at a cost of over \$23.6 million dollars.

November 15, 2006

OT hours as % of ST and Total time (FY06 Hours Paid)
(Full time and Part time)

Full Time

	OT as % of ST	OT as % of Total Time
FED OF POLICE	16.80%	14.38%
AMTRAK SERVICE WKRS COUNCIL	8.69%	7.99%
BR OF LOC ENGINEERS		
ENGINEERS	15.62%	13.51%
DISPATCHERS	11.64%	10.42%
BR OF M OF WAY EMP	22.87%	18.61%
BR RAILWAY SIGNALMEN	28.13%	21.95%
IBEW ELECTRICAL WORKERS	8.47%	7.81%
NCFO NAT'L CONF OF FIREMEN AND OILERS	9.44%	8.62%
INT BR BOILERMAKERS, SH BLDRS	0.91%	0.91%
INT ASSN MACHINIST AEROSP WKR	9.09%	8.33%
JCC	6.67%	6.26%
SH MTL WKRS	7.54%	7.01%
TCU TRANSP COMM UNION		
CLERKS	7.43%	6.92%
TELEGRAPHERS	6.09%	5.74%
ARASA MAINT OF EQUIPMENT	12.09%	10.78%
ARASA MAINT OF WAY	30.07%	23.12%
ARASA ON BOARD SERVICES	0.00%	0.00%
UNITED TRANS UNION		
CONDUCTORS/ASSISTANT	18.36%	15.51%
YARDMASTERS	13.69%	12.04%
STEWARDS	10.51%	9.51%