

**Consolidated Rail System Federation  
Illinois Central Gulf Federation  
Northeastern System Federation  
Pennsylvania Federation  
Seaboard Federation  
Unified System Division**



December 6, 2010

Dear Brothers and Sisters:

We are writing to you to update you on the status of bargaining with Amtrak. We also want you to fill out a survey to give us direction on how to proceed. Our agreement with Amtrak was renewable on January 1, 2010. We organized a bargaining coalition of five unions consisting of the Signalmen, Fireman and Oilers, Sheetmetal Workers, Boilermakers and the BMWED. This was the same coalition that delivered the last contract with eight years of retroactivity in it. Our coalition is called the Passenger Rail Labor Bargaining Committee or "PRLBC." When the time came, we served our demands on Amtrak to improve wages and to bring wage rates and benefit cost sharing in line with what commuter workers are earning and paying. Area commuter workers earn on average about 17% more than Amtrak or Freight railroad workers performing similar work. Additionally, commuter workers pay less of their earnings for health care cost sharing.

Since we served our demands, unions representing 58% of Amtrak workers have settled their agreements. A summary of the agreement is attached, but in brief, it will increase wages 14 -14.9% over five years, cap health and welfare cost sharing at \$230.00 per month by the end of the contract term and change work rules to provide for biweekly pay, direct deposit of paychecks, elimination of trials for second time Rule G violators and one other work rule change per craft. In our case, management is looking to increase the hold time for employees trained under the training agreement from six months to a year.

We do not believe that this agreement adequately addresses our needs. However, Amtrak is contending that this is the pattern and we had better get used to it. Amtrak's position would require the Union to make significant rules concessions in order to exceed what it calls the pattern settlement. Thus, for example, wage parity would be purchased by work rule changes. Our position is fairness demands equal wages for equal work, and that rules concessions are not warranted. Notwithstanding this position, we are meeting with Amtrak to take a look at what rules concessions they have in mind that can be traded for wage increases. We do not believe that Amtrak is properly valuing the rules it has put on the table. We have our economic experts going over their rule proposals so that we can at least get an idea of their correct worth. None of us support making any significant rules concessions, but we would be foolish not to look at what is being proposed and to obtain accurate cost figures.

Amtrak was created from the freight railroads, so we have typically waited until the national freight agreements have been resolved and then patterned our settlements accordingly. This was very helpful during the dark, anti-worker political periods of Reagan and Bush 1 and 2. The political enemies of labor, and publicly financed passenger railroads, were committed to destroying our Union. During this period, we were able to successfully argue the freight railroad pattern as the basis of settlement.

The demand for the national pattern literally saved our Union and our working lives. As evidence of this is the millions of unionized American workers who lost their jobs under these conservative policies. There were several times we came close to losing everything. Our argument about the freight pattern, while insufficiently valuing our work, did permit us to survive their attack. While we do not see the benefit in attacking the decisions that other Unions on Amtrak have made in settling before the freight pattern has emerged, we do think that action tending to reinforce any notion that Amtrak's contracts follow an internal pattern is potentially very dangerous.

On the freight side bargaining is continuing. There are meetings scheduled through February of next year but the prospect of a voluntary settlement is not considered very good. This means a Presidential Emergency Board will be created to hear the dispute and recommend a settlement. That process probably will not result in an agreement until the fall of 2011. However, the freight bargainers do not see the 14 -14.9 % Amtrak deal as a basis for settlement. In the last freight agreement under President Bush 2, who did not support labor unions or wage increases, we settled for 17.5 - 18.2%. At the national table, the thinking is that under President Obama, who is a friend of organized labor, the settlement should be more than the one made under President Bush 2. In fact, the freight railroad companies are doing very well and can easily afford more than 18.2% over five years. In our industry, more than any other industry, the government has a big voice in the settlement of our agreements.

There is precedent that supports the idea of waiting to see what the freight pattern will provide. In 1994, on the Soo Line every craft except the UTU made a concessionary agreement. The UTU insisted, that despite the settlements by every other craft, that they were entitled to their national agreement. Presidential Emergency Board 225, under President Clinton, was appointed and determined that the UTU was correct and recommended settlement based upon the UTU national agreement. The UTU national agreement was more than what all of the other crafts had settled for on the Soo Line and became the ultimate basis for the UTU settlement.

The question we are asking you is: do we settle for what Amtrak calls the settlement pattern, or do we wait until the national freight agreement settles? If we wait and there is a settlement on the freight side in the fall of 2011, there will be two years where we did not get a wage increase. During that same period, Amtrak workers who settled their agreement will have received 4.5%. There is a possibility that the freight agreement will be more than the Amtrak deal and we have already shown that retroactivity is obtainable. There is some risk to waiting and we can obtain the Amtrak settlement now without additional risks.

In our opinion, accepting the settlement offer does put Amtrak workers in jeopardy if the political winds should change and another anti worker administration decides to start gunning for us. The national freight agreement will not resolve the commuter rate difference. If we wait until the national freight

agreement settles and we want to pursue our demand for commuter wage parity we will have to make that decision at that time. It is possible that our work rule discussions will resolve that problem for us, and we will keep at them, but that is probably the least likely of all of the scenarios to occur.

We need your guidance. Enclosed is a card on which to record your opinion. It is a secret ballot and we have safeguards on the process to ensure each member can have only one vote counted. Please fill it out and mail it back. It is postage paid and all you need to do is mark it and drop it in a mail box. The choice before us right now is to settle for the current deal other Amtrak workers have accepted, or wait until the national freight agreement settles. Check the appropriate box with your opinion and mail it back.

We are of the opinion we should stand and fight and wait until the national freight agreement settles before we settle. However, we cannot do that without your support. If a significant majority instructs us to settle the agreement around the current Amtrak settlements, we will go to the table and attempt to implement that sentiment. We are looking for a mandate one way or the other. Amtrak management will also be carefully watching this survey for the results and will be hoping that there is no mandate to continue to fight. We need a big turnout either way and we believe that we have provided the information that you need to make decision.

Please return the survey response before January 10, 2011.

In Solidarity,



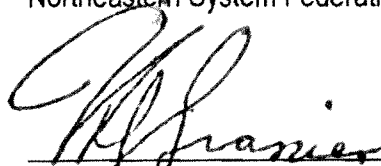
Jed Dodd, General Chairman  
Pennsylvania Federation BMWED



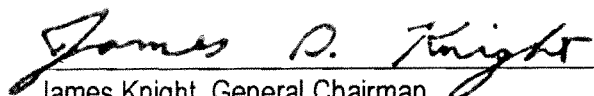
Stuart Hurlburt, General Chairman  
Northeastern System Federation



Bradley Winter, General Chairman  
Consolidated Rail System Federation BMWED



Hayward Granier, General Chairman  
Illinois Central Gulf Federation BMWED



James Knight, General Chairman  
Seaboard Federation BMWED



Wayne Morrow, General Chairman  
Unified System Division BMWED

# Summary of Agreement between Amtrak and Settled Unions (IBEW, TCU, IAM, Carmen, ATDA, ARASA, and TWU)

## Terms

### General Wage Increases:

7/1/2010	1.5%
1/1/2011	1.5%
7/1/2011	1.5%
1/1/2012	1.0%
7/1/2012	1.5%
1/1/2013	1.5%
7/1/2013	1.5%
1/1/2014	1.0%
7/1/2014	1.5%
1/1/2015	1.5%

Total 14.0%

with compounding 14.5-14.9%

### Work Rule Changes

Biweekly Pay Mandated  
Direct Deposit Mandated

2<sup>nd</sup> Time Rule G Violators Forfeit Right to Trial  
but retain appeal and arbitration rights

### Health Care Benefits

No changes in benefit levels or co-pays, except employees who go to the emergency room and are not admitted will pay increases from \$50.00 to \$75.00.

### Health Care Cost Sharing

15% of total plan costs or whatever is lower effective:

7/1/2010	\$177.00/month
7/1/2011	\$190.00/month
7/1/2012	\$210.00/month
7/1/2013	\$230.00/month
7/1/2014	\$230.00/month
7/1/2015	\$230.00/month

Amtrak has the right to re-open negotiations on health and welfare in July 2014