

The following letter from General Chairman Kenny was forwarded today to all Local Chairmen of the Amtrak/MBCR/Connex General Committee of Adjustment. Because of its significant importance to the current Amtrak funding situation, and relevance to the GCA dues increase adopted at the recent GCA Quadrennial Meeting, it is posted here for general review by the entire Membership. Every Member is strongly encouraged to follow the course set forth herein in terms of contacting their respective Congressional leaders to urge their support of H.R. 1630 and H.R. 1631. In instances where it is already known that such Congressional support is already achieved for these bills, a letter, call or email of thanks should also be sent for that support. Members should also routinely access the TTD website link for updates on Congressional action as it pertains to the evolving Amtrak crisis.

June 23, 2005

This is in response to two important issues addressed at our recent GCA Quadrennial Meeting, which required further explanation. The first is relative to the GCA dues increase, and the second is pertinent to the severity of the Amtrak funding crisis and how that translates to our membership in terms of economic impact and job loss on a system basis. With respect to the latter, my response here is not intended to incite panic. It is, however, purposely meant to give a detailed, realistic overview of the potentially devastating effects this issue will bring to the doorstep of every BLET member based on extensive GCA analysis.

With respect to the dues increase, although this is an issue never well received by any member, it nonetheless demands be viewed from a realistic, straight forward business perspective. As previously explained, with all the other absolutely dismal information passed along within the context of our meeting, the last thing I personally wanted to do was to bring a dues increase to the floor for plainly obvious reasons. Rest assured, the GCA Executive Committee wrestled with this issue and made every attempt to avoid it. However, from a purely factual financial standpoint, we were forced to face economic reality for several justifiable and valid reasons.

First, since the last GCA dues increase — *ten years ago* — we have and continue to experience a significant erosion of the dues base because of declining membership levels. Second, we were forced to assume the unforeseen and rather substantial cost burden associated with Amtrak shedding two commuter services in Boston and Los Angeles, and must realistically anticipate similar situations relative to our remaining commuter service operations in the very near future. Third, due to Amtrak's absolute resistance to our achieving a fair and equitable settlement in collective bargaining, there is every likelihood we will be saddled with the additional financial and legal responsibilities associated with a Presidential Emergency Board process. Fourth, since the arrival of David Gunn, a dramatic shift in the labor/management relationship has taken place and virtually every issue of dispute is forced to the arbitration process for resolution.

For example, with respect to the *Three Rivers* service discontinuance between Pittsburgh and Chicago, of the *ten* members whom we maintain are entitled to the C-2 protection scheme, we presently have *nine* arbitration cases that will have to be adjudicated before a newly designated Board. In other instances of alleged minor rules infractions, instead of agreeing to informal handling and some level of reasonable discipline, those type of issues are now routinely forced to arbitration. Moreover, in realistically contemplating the future of the national system as a whole, if a congressional funding solution is not achieved, and quickly, we very well might find ourselves with the obligation of progressing anywhere between four-hundred and fifty to six-hundred similar cases involving C-2 protection disputes. Coupled with the clear and very significant increase of unwarranted discipline for alleged rule non-compliance, decertification cases, and minor disciplinary infractions that do not even begin to approach offences deserving of dismissal but, nonetheless result in same, our costs associated with arbitration efforts alone continue to spiral upwards at an unprecedented rate.

Notwithstanding those perfectly valid reasons, it should also be understood that the subject dues increase was not something arbitrarily passed along just because we have not increased General Committee dues for the past ten years. However, it costs money to do business in terms of effectively representing this membership, and similar to everything else in life — *like it or not* — it is inevitable for those costs to increase, as is the case here. I also want to stress that I fully understand there will undoubtedly be a percentage of the membership who will arguably assert that, because a new collective bargaining agreement on Amtrak property has not been realized, therefore, a dues increase is not warranted. In anticipation of same, I would offer that any such assertion falls well short of reasonable thinking and lacks both foundation and factual basis. Simply because, identical to the other twelve labor organizations who have been equally unsuccessful in reaching a fair CBA with a Carrier literally bordering on financial collapse, any perceived or suggested failure in that regard has no bearing whatsoever on the GCA's fiscal responsibility to act appropriately and responsively to obligations due whether or not a CBA solution is accomplished.

To put it bluntly, from a personal standpoint, if not more so than everyone else, I am just as frustrated and annoyed about not having a new agreement. Like every other member, I don't like that because of rising business costs and Amtrak's insistence on making every issue a monumental nightmare, I have to pay more in dues. I don't like the fact our country is involved in a war started under false pretenses where our sons and daughters are risking their lives so Dick Cheney and Halliburton can make a few billion dollars more rebuilding Iraqi railroads on the backs of American taxpayers, when the U.S. Congress can't or won't even find a permanent funding solution for *our* national rail system in this country. I don't like having to pay \$2.40 for a gallon of gas or \$1.50 for withdrawing money from my own bank account. I could go on without end, but I think my point about having to contend with things we don't necessarily like and the factual circumstances we are forced to cope with on a daily basis is amply made. In the final analysis, this increase does not arise from some form of arbitrary convenience or routine. To the contrary, it is wholly predicated on critical financial necessity in terms of our long-term ability to continue providing our membership with the representation it needs and properly deserves.

One last note on this issue, it should also be fully explained to the members of your Division that the 1.2% dues escalator, which is attached to the applicable hourly rate, **will not** require any future dues adjustments, as it is directly tied to General Wage and COLA increases in our scheduled rates. Therefore, although arguably distasteful now, we have permanently resolved this issue from this point forward and future dues increases will only occur when GWI's and COLA levels are improved. Attached, please find two tables showing the relative impact this increase brings to the membership on a property by property basis. These tables are self-explanatory but, should you need additional explanation in this regard, please call at your convenience.

Turning to the issue of the Amtrak funding crisis and its overarching impact on our membership, despite repeated efforts of this office over the past several months with respect to advising our officers and members as to the severity of this situation via information posted on the GCA website and other written correspondence; including, a mailing to the residence of every member on Amtrak property, such efforts have apparently failed to hit the mark with the desired effect. As a case in point, just this past Monday, there was a unified labor rally in a major passenger station in the NEC. Along with prominent Senate and House congressional leaders, highly supportive of Rail Labor's position and the necessity to maintain Amtrak's national system, various IBT, BMWED, BRS and TCU officers and members assisted in distributing 2,500 leaflets and took part in the subsequent press conference held to bring public and media attention to the Amtrak crisis. Sadly, however, even with two days advance notice and a request from this office for any and all BLET participation possible, besides myself, only **one** other BLET member took the time and effort and found it important enough to attend the rally. The same was true several months ago in southern California when Rail Labor was attempting to target the district of an influential Congressional member unsympathetic to the Amtrak situation. Albeit late notification of that event, only the Local Chairman and Legislative Representative took action in that effort. Such lackluster performance is not only embarrassing, it will not suffice in making our issue known and having our voice heard.

As you know, the Delegates at our meeting were unanimous in expressing that as Division leaders they have been collectively unsuccessful in cutting through the existing layers of apathy in order to truly impress upon the membership the severity of this situation. Given that, the time for being perfectly candid with respect our collective situation is at hand and I will no longer refine this message to make it more palatable for general consumption. We stand to lose 45 to 60% of this Committee's membership — **who will no longer have jobs and will not collect C-2 benefits until those disputes are resolved through arbitration** — if we do not successfully defeat the Bush and Gunn administration plans for dismantling the national system and the imposition of dramatic labor reform.

Rest assured, **none** of our members will escape the related consequences associated with this issue; including, those working in the NEC and on MBCR and Connex properties. The direct and residual effects of an Amtrak shutdown will unquestionably be suffered by everyone represented by this GCA, and there will be a corresponding adverse impact felt by the entire industry in terms of Railroad Retirement cost increases, diminished benefits levels, and the long-term financial solvency

of our present retirement scheme. Furthermore, more than half of our membership will no longer have a legitimate complaint about not having a new contract, ***because they won't have a job!*** And, those of us "*fortunate enough*" to be left, will be faced contending with what will clearly be the untenable result of the Bush controlled Republican Congress intruding into the collective bargaining process and writing an odious solution to my unwillingness to accept a sub-standard collective bargaining agreement, and the distinct possibility of eliminating Railroad Retirement as we know it today, along with the Railway Labor Act and FELA protection.

With that said, I cannot begin to impress in strong enough terms the need of our entire membership and their families to become actively engaged in the Amtrak appropriations battle with Congress. In fact, just this past Tuesday, by a 37-24 margin, the full House Appropriations Committee on Transportation rejected an amendment by Congressman John W. Olver, D-MA, that would have boosted the \$550 million Amtrak FY 2006 appropriation by an additional \$657 million. Even if that amendment was adopted, it would still not be sufficient in terms of the funding level needed to maintain the national system, and bankruptcy proceedings and a system shut-down could ensue as early as August according to Gunn's predictions. This ***is not*** the same old funding argument we have grown painfully accustomed to over the course of our careers with Amtrak during every federal funding cycle. The Bush Administration and Amtrak's Board of Directors are hell bent to change the existing Amtrak structure, bring about privatization, and impose significant labor reform on the backs of this membership. Make no mistake here, ***our jobs are on the line this time around***, and our failure to respond accordingly will only galvanize that end result. Every member and their families need to contact their congressional representatives to urge support of H.R. 1630 and 1631.

Both the pending Bush Administration bill and the reform plan proposed to Congress by David Gunn and the Amtrak Board have been comprehensively analyzed by the GCA in terms of impact to our membership. Either initiative would be devastating, and the enclosed "Impact Report" charts a comparison between the two plans and the precise measure of how and where that impact will be felt on a crew base and work zone basis. This information demonstrates the raw and unsettling truth in real numbers, and easily translates into jobs and people. As such, this material fully demands being shared, posted and explained on the property and at all Division meetings, so each member fully understands precisely what is at stake here and the negative consequences of failing to act accordingly. The figures in this report are based upon our current job structures and, unfortunately, accurately reflect what the future holds if either the Bush or Gunn plans are adopted. Quite frankly, if this information fails to motivate the membership to action, then maybe it is time to "*turn out the lights.*" I truly hope that is not the case!

Because of its relevance to the ongoing situation, also enclosed please material outlining the *Mittenthal* LPP benefit scheme and some of the disputes we are already experiencing on that front. I trust that the considerable amount of information provided herein assists your efforts in ***reaching and educating*** your membership on this critically important issue. As always, should you have any questions about the subject matter or information provided here, please call.

In closing, I also want to extend my sincere personal thanks for your attention, active participation, support, and thoughtful input at our GCA meeting. Your continued diligence and commitment to your responsibilities as Local Chairman is very much appreciated. With warmest personal regards, I remain

Fraternally yours,

Mark B. Kenny
General Chairman

Enclosures (3)

cc: Executive Committee