

Joseph M Bress
Vice President, Labor Relations



VIA FAX AND U.S. MAIL

May 1, 2008

Mr. Mark B. Kenny
General Chairman
Brotherhood of Locomotive Engineers
AMTRAK, / MBCR/Connex General Committee
of Adjustment
IBT Rail Conference
1985 Highway 34, Suite A7A-1, Mailbox 11
Wall, NJ 07719

Mr. Richard W. Ziegler
General Chairman
Sheet Metal Workers' International
Association
7958 North 700 West
Fairland, IN 46126

Re: *Contract Settlement Update*

Gentlemen:

As you know, Amtrak's Human Resources, Payroll and Information Technology Departments have been working on establishing the new rates of pay and calculating the retroactive wage adjustments for the employees whom you represent. This is to provide an update on these issues.

The new rates of pay for positions in your crafts will be placed into effect on May 1, 2008, and included in the paychecks to be issued as early as May 16, 2008, and fully reflected in the check for May 23, 2008. As you are aware, due to a programming error, health plan contributions were withheld from the May 2, 2008, checks. This error will be corrected and the amount withheld will be added to the employees' checks on May 9, 2008. Because the May 30, 2008, paycheck will be the first to contain the full effect of the rate increases and without union dues deductions, the medical plan contribution will be made in one single deduction from that May 30, 2008 check. However, based on our discussions and your agreement, following that initial deduction in May, contributions for the medical plan in future months will be divided between the first and second checks of each month.

Additionally, the contract settlement provides employees that have alternate insurance coverage with the ability to "opt out" of future health care coverage and avoid the monthly health and welfare contributions beginning June 1, 2008. A separate mailing has been sent to employees detailing the Health Care coverage changes and includes the required form that must be submitted if employees wish to opt out of Health Care coverage. The "opt out" form must be returned as soon as possible. Forms will not be accepted after May 16, 2008.



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Finally, we anticipate the first installment (40%) of the retroactive wage adjustment will be paid through normal direct deposit or as a separate check on May 30, 2008. A summary report that shows the major components of the total retroactive adjustment will be furnished with the check/direct deposit stub. In addition, a list of frequently asked questions, with answers, will be provided. Information on whom to contact with specific disputes regarding the payment will also be included.

If you have any questions, please feel free to contact my staff.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe M. Bress", with a long, sweeping horizontal flourish extending to the right.

Joseph M. Bress
Vice President-Labor Relations