



Brotherhood of Locomotive Engineers and Trainmen

A Division of the Rail Conference of the International Brotherhood of Teamsters

General Committee of Adjustment Amtrak / MBCR / Connex

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February 29, 2008

All Active Amtrak BLET Members

Dear Brothers and Sisters:

In accordance with the provisions of Section 41(a), General Committee Rules, of the By-laws of the Brotherhood of Locomotive Engineers and Trainmen, this package contains the required information for conducting the ratification vote on the February 19, 2008 Tentative Agreement (TA) between the BLET and Amtrak. Included in the package is: a copy of the Tentative Agreement, a table showing all hourly rates of pay that will be effective during the term of the TA, a form for calculating your retroactive pay, a list of Frequently Asked Questions (FAQs), a document explaining the improved vision care plan, and a postage-paid envelope for returning your ballot to the National Division. Ballots must be *received* by the National Division no later than Friday, March 28, 2008, in order to be counted.

The terms and conditions of the TA are straightforward. If ratified, it will contractually set wage rate schedules and health and welfare (H&W) benefits governing Passenger and Student Engineers, and Engine Attendants. The proposed TA is fully consistent with the recommendations issued by Presidential Emergency Board (PEB) 242, and mirror the agreements reached by the nine Unions party to the PEB process last December. The major components of the TA are as follows:

General Wage Increases (GWIs) & Implementation Schedule

The agreement provides for a total wage improvement package amounting to a 34.7% increase over the hourly rate in effect at the end of the last agreement. Implementation of the new wage rate schedule and associated percentage increases are clearly defined in Article I, Sections 1 through 8. The Passenger Engineer rate will rise to \$33.03 upon implementation. A table reflecting changes in the hourly rate is included in this package for your ready reference.

Retroactive Payments

Article I, Section 9, addresses retroactive wage payments and employee eligibility. Generally speaking, engineers on the payroll as of December 1, 2007 — including those on sick leave, disability or injury, temporary suspension, and furlough or leave of absence — are eligible for retroactive pay for all time-based compensation paid under the BLET collective bargaining agreement between July 1, 2002 and the date the first GWI is applied and paid in 2008. Gross retroactive pay will be offset by Harris COLA payments in excess of the first \$0.27, which is being rolled into the base rate, and by retroactive health and welfare premium contributions. Side

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Letter Nos. 2 and 3, as well as the enclosed FAQs, provide additional information, guidance and specific explanation concerning how retroactive payments will be calculated and paid.

To assist Members in accurately calculating the 100% value of their retroactive pay package, and the 40% and 60% payments due in 2008 and 2009, respectively, the GCA has prepared a Retroactive Pay Calculator, which is in Microsoft Excel format and available for download from the GCA website. Follow the instructions for entering the hours paid in the appropriate tab, which depends upon your personal craft and pay progression status during each six month period of time for which a retroactive calculation must be made. The program will automatically compute your total retroactive gross and the 2008 and 2009 amounts due. If you do not have Microsoft Excel, or prefer not to use the spreadsheet, included with this package is a form you can fill out to make the calculation.

Cost of Living Payments (COLA)

Article II sets the terms governing COLA payments and retroactive recovery of same. It provides for \$0.27 of the present Harris COLA, payable under the August 1, 1998 Agreement, to be rolled into the applicable basic hourly rate. The resulting rate will be adjusted forward by the percentage increases defined in Article I, Section 1 through 8. COLA payments above that amount that you have received will be offset from the gross retroactive wage allowance.

Health & Welfare

Article III, Part A, Sections 1 through 4, define the terms and conditions of the employees medical and vision care plan (AmPlan). Plan benefit changes are detailed in Section 2, which specifically describes revisions to the existing coverage scheme with respect to the Comprehensive Health Care Benefit plan (CHCB), Managed Medical Care Program (MMCP) and the associated prescription drug plans. Vision care benefits will also change from the Select to the Standard arrangement, effective May 1, 2008. The Standard Plan is an improvement over the existing coverage in effect today, and included is a table showing the improvements.

Employee cost sharing contributions towards Amplan, dental, vision, accidental death and dismemberment (AD&D), and life insurance coverage are defined in Article III, Part B, Section 1. If ratified, beyond the retroactive recovery of employee cost sharing contributions off-set against retroactive pay, the agreement imposes an obligation for active employees to begin paying \$166.25 per month for employee and dependent health benefit coverage. Cost sharing contributions will both escalate and be capped consistent with the provisions set forth in the aforementioned Section. Cost sharing contributions are made on a pre-tax basis, and pursuant to Article III, Part B, Section 2, a Section 125 Cafeteria Plan will be established for that purpose. FAQ No. 19 defines and explains the purpose of the Cafeteria Plan in more detail.

Agreement provisions controlling the ability to Opt-Out of Plan coverage is provided in Article III, Part B, Section 4. The terms and conditions of when and how an employee may ex-

ercise that right are found in that Section. Side Letter No. 1 provides an additional right to the Opt-Out arrangement for the balance of 2008. Employees electing to do so must advise Amtrak accordingly by the end of the month following ratification. Therefore, if the TA is ratified, you must notify Amtrak no later than April 30th if you want to opt-out for this year.

Off-Track Vehicle Accident Benefits

Article IV, Sections 1, 2, and 3, update Off-Track Vehicle Accident Benefits. The amended changes to these provisions of the benefit package represent an improvement to existing benefit levels provided today.

Contingencies

Article V contractually sets in place a procedural process governing the parties in the event Amtrak is financially unable to fulfill the obligation to make the second retroactive wage payment in 2009 demanded by Section 9(a) (ii). The Railway Labor Act serves as the foundation for this process. Failure to make the second retroactive payment in accordance with the above Section would constitute an unresolved major dispute. Thus, triggering a procedural process and schedule for remedy, or in the absence of resolution, give the parties the right to engage in self-help pursuant to the Railway Labor Act, 45 U.S.C. § 160. Due to past and continuing uncertainty relative to Amtrak's ability to fulfill contractual financial obligations, typically similar contingency arrangements have been included in previous agreements and, in fact, remain in effect today as a result of the August 1, 1998 Agreement.

General Provisions

Article VI, Section 1, states that adoption of the TA is subject to ratification by the Union. Section 2, sets the moratorium date for serving notices to change the subject matter or provisions of the Agreement to November 1, 2009, not to become effective before January 1, 2010.

Work Rules

There are no changes to the current schedule of work rules.

Summation

The list of twenty-five FAQs enclosed in the ratification package is the end result of a coordinated effort between the GCA and the Local Chairmen throughout the system. The listed questions were formulated with appropriate responses for the express purpose of preemptively answering questions that would likely come from the Membership during the early stages of ratification. It is our collective hope that the responses found therein will assist the Membership in clearly understanding the TA before them for consideration. As new questions emerge, additional FAQs will be prepared and distributed to the Local Divisions by email, and posted on the GCA website.

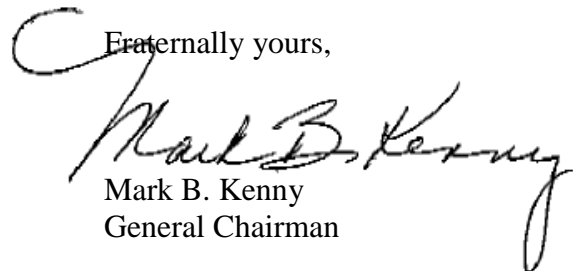
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This tentative agreement provides 100% retroactive pay recovery to eligible employees. It significantly improves hourly wage rates, placing them in proximity of the highest paid passenger/commuter services in the rail industry. It sets employee cost contributions levels for H&W benefits consistent with today's industry standards and that of the BLET National Agreement, upon which benefits levels are based. There are no changes whatsoever to existing work rules. And, although there are numerous work rule and general improvements that need to be addressed now, but will have to be left to the next bargaining round where they will be aggressively sought and won, this TA stands as a monumental step toward equalizing the eight years of inequity and frustration we have been forced to confront daily. On that basis, I strongly urge every Member to vote yes to ratify this Tentative Agreement.

It is also notable to mention at this point that prior to returning to negotiations to secure this TA in its present form, the GCA Executive Committee secured the approval of every Amtrak Local Division in the system, with the exception of one Division that did not participate in the process. Furthermore, upon concluding negotiations, every Local Chairmen in the system, with the exception of the representative from this same Division, was made fully aware of the terms and conditions found before you. Most importantly, it should be firmly understood that every participating Local Division then expressed full support for the ratification of this TA.

In closing, I respectfully ask everyone be mindful of the fact that failure to cast a ratification ballot simply negates your voice and personal opinion as a Member in this all important process. Please do not let the battle for that hard won right to have been for nothing. Exercise your right to be heard as a BLET Member and cast your ballot accordingly.

Eraternally yours,



Mark B. Kenny
General Chairman

Cc: D. M. Hahs, National President
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