

**Passenger Rail Labor Bargaining Coalition**  
**421 North Seventh Street**  
**Philadelphia, PA 19123**

UPS Overnight Mail

September 28, 2016

National Railroad Passenger Corporation  
Charles Moorman, President  
60 Massachusetts Avenue  
Washington, DC 20002

Dear Mr. Moorman:

As you have been getting acquainted with Amtrak as it is today, you have probably been told that Section 6 notices were served over a year ago by the various unions that represent Amtrak employees. You may have been told that after about nine months of unproductive negotiations, the BMWED and BRS bargaining coalition, the Passenger Rail Labor Bargaining Coalition ("PRLBC"), terminated conferences and Amtrak invoked mediation, which has been similarly unproductive. What you have surely not been told, but should know, is that Amtrak managers effectively prevented productive bargaining by repeated misrepresentations and by refusing to provide information necessary for PRLBC to evaluate Amtrak's proposals for changes to the health plan.

Just before the start of this round of bargaining, Joe Boardman issued an "employee advisory" asserting that employees would have to make concessions because Amtrak lost several commuter rail contracts due to the labor costs under its collective bargaining agreements. This was a patently false statement. The successor commuter rail operators generally assumed the existing CBAs; in one case the new operator gave pay increases without any concession from the unions, in another case the new operator made additional lump sum payments without any union concessions. In one of those situations Amtrak could not even compete for the contract because its bid was late.

At the beginning of this round of bargaining, Amtrak Executive Vice President Chief Human Capital, Barry Melnkovic told us that the PRLBC had to make concessions for Amtrak to be competitive on the state supported routes. He ignored the fact that 90% of Amtrak Maintenance of Way Employees and Signalmen work on the Northeast Corridor, and not on state supported routes. So a principal component of Amtrak's opening presentation was based on a misrepresentation. We also have to point out the symbolism of Mr. Melnkovic's job title—he is in charge of "human capital". It is hard to conceive of a title that could be more demeaning to Amtrak workers. Amtrak's employees are people, not things; they are not like buildings or equipment. Amtrak's Maintenance of Way Employees and Signalmen are highly skilled, experienced men and women who are committed to ensuring safe and effective Amtrak operations in the most complex corridor in the country; one in which high

speed trains move over early 20th Century infrastructure that is kept operational by the employees we represent. To describe these people as mere "widgets" is highly disrespectful to our members. And this is not just about the job title, Mr. Melnkovic's statements at the bargaining table (such as the assertion that BMWED and BRS had to make concessions for Amtrak to be competitive on state supported routes) demonstrated his lack of respect for the employees who hold the NEC together through our skill and dedication.

Amtrak's disregard for its engineering department employees was also shown by its decision to leave management of the nation's only high speed rail corridor in the hands of Scot Naparstek who does not even have an engineering background; and then its hiring of Rodrigo Bitar as Chief Engineer, although he has never been responsible for a rail line and his last position involved overseeing elevators and escalators for the Washington, D.C. area Metro system. One needs only to look to the New Jersey race track project for verification of what happens when leadership like this is appointed.

The Amtrak action that has most seriously impeded effective bargaining has been its health care proposal and its refusal to provide PRLBC with the information the unions need to assess Amtrak's proposal and to offer counter-proposals. In June of 2015, at a negotiation session in which Mr. Melnkovic headed the Amtrak team, Amtrak offered pessimistic projections about the cost of health care benefits and sought dramatic concessions from PRLBC, even after significant concessions were made in the last round of bargaining. Amtrak's consultants painted a dire picture for the future and presented proposals for radical changes in the health care plan. Instead of one plan with two tiers (individual and family), there would be four tiers, two of which would include very high deductibles and co-pays. PRLBC responded by retaining health care specialists from Cheiron to verify the projections offered by Amtrak's consultants, assess the potential impact of Amtrak's proposals on BRS and BMWED members, and consider potential cost-saving alternatives.

In order for Cheiron to do its job it required sets of information that are routinely provided to it by other employers, including the freight railroads. However, after promising transparency, Amtrak stonewalled. Cheiron was never provided the information it needed to do its job. Amtrak posed bogus HIPAA arguments as justification for its refusal to provide the information necessary for Cheiron to assess Amtrak's proposals and make recommendations to PRLBC, even though we demonstrated that we could not respond to Amtrak's extreme proposal without that information, Cheiron signed a non-disclosure and business associate agreement, and other employers, including the freight railroads provided the information that Amtrak has refused to provide. This obstinate refusal to allow the PRLBC to verify Amtrak's projections and to develop alternatives while insisting on unprecedented changes to the health benefits for its employees was the reason PRLBC terminated conferences; Amtrak's team remains obstinate on this point in mediation.

Additionally, Amtrak never responded to our economist's presentation on compensation. He demonstrated that the appropriate comparators for compensation of Amtrak Maintenance of Way Employees and Signalmen are Maintenance of Way Employees

and Signalmen working for the commuter railroads in the NEC area who perform the same type of work in the same geographic areas and have the same cost of living as Amtrak workers. Amtrak has not in any way responded to our position on compensation, and it has not even attempted to refute our position that the commuter railroads in the NEC area are the appropriate comparators.

More recently, Amtrak management lied to us in connection negotiations concerning the plan to install and implement a video and audio surveillance system in vehicles used by Maintenance of Way Employees and Signalmen. Amtrak asserted that the system was required by Federal orders and regulations. We then asked for copies of the orders and regulations that were relied on for that assertion; Amtrak produced them; we could not find any such mandate. When we met and asked point blank for identification of the mandate relied on by Amtrak, its representatives had to concede that there was none; but they then said it was a Board of Directors requirement. That statement was not accurate either. We were ultimately told that this was a directive from the Safety Committee of the Board. But the Safety Committee minutes provided to us showed that Amtrak managers merely informed the Committee of the plan. By claiming that its plan was required by Federal mandate when Amtrak's negotiators knew that was untrue, they raised substantial concerns about their credibility, further hindering our ability to reach agreement through negotiations or mediation.

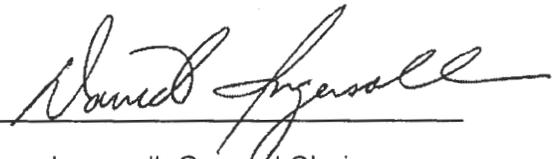
We bring this history to your attention because we desire to reach a negotiated settlement of the pending Section 6 notices. If you too are interested in reaching a negotiated settlement you will ensure that Amtrak changes course in its negotiations and mediation with the PRLBC and deals with us in good faith.

Yours truly,



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Jed Dodd, General Chairman  
Pennsylvania Federation  
Brotherhood of Maintenance of Way Employees  
Division - International Brotherhood of  
Teamsters



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Dave Ingersoll, General Chairman  
Brotherhood of Railroad Signalmen

cc Amtrak Board of Directors