



Transportation Communications International Union

An affiliate of the International Association of Machinists and Aerospace Workers



God Bless America

Russell Oathout
International Secretary-Treasurer

Subject: Amtrak Employee Health and Welfare (AmPlan) Contributions, Effective July 1, 2010

May 25, 2010

To: All Amtrak General Chairmen Signatory to JMAC Agreement

Dear Sirs and Brothers:

The annual rate calculations for Amtrak's health and welfare plan (AmPlan) have been finalized. In that regard, Amtrak has calculated that, effective July 1, 2010, the employee health and welfare contributions ("cost sharing") will be \$177.54 per month. Based on detailed data Amtrak provided to the JMAC labor representatives, we are of the opinion that the calculations are accurate. This will result in a monthly increase of \$10.85 over the current employee contribution of \$166.69. Also, Amtrak has advised that these calculations do not include employees represented by the Fraternal Order of Police.

As you know, various provisions for employee health and welfare contributions were included in the Amtrak contract settlements signed and ratified in 2008, which were based on the recommendations of Presidential Emergency Board No. 242. The settlements adopted similar provisions as those contained in the agreements made with the major freight railroads, i.e. that employees' monthly contributions would be set at 15% of the carrier's cost for H&W (medical, dental, vision, life and AD&D) insurance.

Under those National freight agreements, the application of the 15% formula resulted in employee monthly contributions increasing by \$29.04 to \$200.00, effective January 1, 2010. However, and because PEB 242 recommended the 15% formula be applied to Amtrak's own costs, it meant the amount paid by Amtrak employees would not necessarily be the same dollar amount that freight workers pay under their agreements. Furthermore, the calculation of Amtrak's cost for providing the health and welfare benefits is based upon the prior year's cost and, adjustments in employee cost-sharing are made each July 1st. By contrast, under the freight agreements, carrier costs are determined prospectively and employee cost-sharing is adjusted each January 1st.

Each year the JMAC Labor Chairman requests Amtrak Labor Relations if they would be agreeable to allowing JMAC Labor Representatives to review the company's calculations regarding changes in employee cost-sharing contributions. Although this is a collective bargaining matter and not within the normal purview of JMAC, Amtrak agreed that it was a good idea to hear from Labor before implementing the July 1st adjustments, and otherwise attempt to avoid potential disputes. Therefore, I repeated this request to Amtrak, and they agreed to provide us with the calculations again this year.

JMAC Labor Representatives, Jed Dodd (BMW), Bill Bohne (IBEW) and I, are satisfied with the calculations and Amtrak's cooperation in our review of this data. Also, we plan to utilize this same process when reviewing Amtrak's employee cost-sharing calculations in the future.

Finally, we are aware that no individual union is bound by our opinion and/or findings, inasmuch as the JMAC Labor Representatives have no legal standing to interpret any union's collective bargaining agreement. However, our review of Amtrak's preliminary calculations was simply a matter which we were in a position to address. Therefore, we are hopeful that this information proves to be useful to each of you and your respective membership.

If you have any questions, please feel free to contact any of us. On behalf of the JMAC Labor Representatives, I remain,

In Solidarity,

A handwritten signature in black ink, appearing to read "Russell C. Oathout", with a long horizontal flourish extending to the right.

Russell C. Oathout
TCU International Secretary-Treasurer
and JMAC Labor Chairman

cc: Jed Dodd
William (Bill) Bohne

Exhibit A

**Amtrak
Union Plans
Monthly Employee Premium Rate Calculation
To Be Effective July 1, 2010 through June 30, 2011**

	<u>Per Employee Per Month</u>
Medical	\$1,111.97
Dental	\$57.29
Vision	\$8.63
Life	\$5.22
AD&D	<u>\$0.48</u>
Total	\$1,183.59
Employee Share	<u>15%</u>
Ee Monthly Contribution - July 2010 through June 2011	\$177.54
Ee Monthly Contribution - Current	\$166.69