

## **TCU REACHES TENTATIVE NEW CLERICAL AGREEMENT WITH AMTRAK**

TCU has reached a tentative five year clerical contract with Amtrak.

Tentative contracts have also been reached by TCU and TWU Carmen, the International Association of Machinists and the International Brotherhood of Electrical Workers. All of the agreements have identical economic terms.

The contract contains annual general wage increases totaling 14% over five years, which on a compounded basis equals 15%.

We also succeeded in limiting increases on employee health insurance contributions by putting in fixed dollar caps, without any increase in the existing 15% formula. Except for an increase in the emergency room co-pay for non-admissions, all other deductibles and co-pays will remain as is. And, unlike last round, where Amtrak sought major changes in work rules, the few work rule changes in this contract are of a minor nature.

### **WAGES**

<u>Date of Increase</u>	<u>GWI</u>	<u>Sample Rate</u>
		\$24.43
July 1, 2010:	1.5%	\$24.80
January 1, 2011:	1.5%	\$25.17
July 1, 2011:	1.5%	\$25.55
January 1, 2012:	1.0%	\$25.81
July 1, 2012:	1.5%	\$26.20
January 1, 2013:	1.5%	\$26.59
July 1, 2013:	1.5%	\$26.99
January 1, 2014:	1.0%	\$27.26
July 1, 2014:	1.5%	\$27.67
January 1, 2015:	1.5%	\$28.09

**On a starting wage of \$24.43, the contract produces more than \$16,800 in new straight time compensation over the five years.** Any overtime worked would yield additional gains.

**The wage increases total 14%. Compounded, wages will increase 15%.**

**On the sample starting rate of \$24.43, the wage gain from beginning to end is \$3.66 per hour.**

We can serve notices to increase wages and other items effective January 2, 2015.

## **HEALTH INSURANCE**

**There will be no increase to the current formula for determining employee monthly contributions.** Contributions will continue to be calculated every July 1 based on 15% of previous year plan costs.

**However, we succeeded in adding dollar caps each year. If plan costs significantly increase in a given year or years, employees will pay no more than the negotiated dollar caps even if the 15% formula would have otherwise produced a higher contribution.**

On July 1, 2010, the current monthly contribution will rise to \$177.54, under the 15% formula now in place. That amount, of course, is well under the \$200 cap ratified in the last contract.

Under the new contract, monthly contributions going forward cannot exceed the following caps:

Beginning July, 2011:	\$190 per month
Beginning July, 2012:	\$210 per month
Beginning July, 2013:	\$230 per month

Contributions will be capped in July, 2013 at \$230 per month until a new agreement is reached. Section Six Notices can be served to make changes to this and other health and welfare issues effective July 1, 2014, but no changes can be implemented except by mutual agreement. Absent such agreement, the \$230 cap will remain in place until a new contract is reached in the 2015 round.

**Keep in mind that these caps are just that – maximum amounts. If the 15% formula produces amounts less than the caps, you will pay the lesser amount.** That's what's occurring today – you're subject to a \$200 cap, but are paying \$166.39 - \$33.61 less than the cap.

**Under this agreement, the cap is actually reduced from \$200 to \$190 for the year beginning July, 2011. And the current \$200 cap only goes up \$30 over the five year period.**

**Assuming that the caps are reached each year – that is, monthly contributions reach the maximum allowable limit – the net straight time compensation produced by the contract on a starting wage of \$24.43 will be more than \$14,700.**

That amount represents the minimum amount you will actually pocket over the life of the agreement after paying health insurance contributions. That's on a straight time basis. All overtime would add to the net gain on a dollar for dollar basis. And if the

contributions generated by the 15% formula come in less than the dollar caps, the net gains will even be higher.

**With one minor exception, there will be no increase to any deductible or co-pays, including for prescription drugs, during the life of the agreement.**

The exception is emergency room visits that do not result in hospitalization. That co-pay will go from \$50 to \$75. This is to discourage using the emergency room in place of a regular doctor, as emergency room costs are exorbitant, driving up overall plan costs, which are then passed on to all employees through the monthly contribution.

### **RULE CHANGES**

Employees shall receive their pay bi-weekly, by direct deposit into an account with a bank, credit union, financial-services organization, or similar institution. This was agreed to and ratified in our 2003 Agreement, but never implemented. Now it will be. With the transition to bi-weekly pay, if an employee's pay is short the equivalent of eight (8) hours pay or more, the amount short will be issued to the employee by either check or direct deposit within two (2) business days of notification.

Employee health insurance deductions will be split between the first two paychecks of each month.

For the purposes of Payroll calculation, the work week will be a period of seven consecutive days beginning with Monday.

### **INCENTIVE PLAN**

Amtrak may implement an incentive plan tied to statutory and corporate performance targets. Amtrak anticipates the first payment, if any, will be in 2012 for the measurement year beginning January, 2011. Payments, if any, will continue in the succeeding years of the contract, including the measurement year 2014.

The plan can pay out up to 5% of the measurement year's straight time earnings.

Because Amtrak can solely determine whether to implement the plan in the first place, whether to continue the program once started, what the target criteria will be, and therefore what the payouts will be, if any, we did not credit any compensation value to it. However, it is possible that if targets are fully or partially met, you can receive additional compensation to that negotiated in the general wage increases, of up to twenty percent of straight time earnings.

## **WHY THIS AGREEMENT SHOULD BE RATIFIED**

Last bargaining round was the darkest in Amtrak's history. Because of Amtrak's insistence on no back pay and its non-negotiable demands for sweeping work rule concessions, most unions suffered for eight years without a contract. Even then, it took a Presidential Emergency Board to make an agreement possible.

This time we and other unions were determined that history not repeat itself. Amtrak had new leadership, a friend in the White House, and majority congressional support. We approached Amtrak's President and urged that the scars of the last contract be put behind us, and that our members deserved quick and fair treatment. And so negotiations were launched.

And we are proud to say that this time there will not even be a one year wait. For the first time in history, we and other unions have reached a contract in record time, after four months of bargaining. You will not have to wait for retroactive pay, because your first raise will be this July 1.

**The compounded wage increases of 15% are outstanding, and stand up to any contract now being reached in the United States. This contract delivers real economic security during the worst economic downturn since the Great Depression. After deducting health insurance contributions, the contract generates excellent net take home gains.**

**Holding the line on the 15% health insurance contributions formula is another major achievement. In addition, with the new negotiated dollar caps, employees have the certainty that monthly contributions cannot exceed certain amounts, which was not true in the past. But contributions can be lower, depending on actual plan cost.**

As you recall, the last Presidential Emergency Board recommended that the Amtrak contract follow the provisions of the national freight carrier agreement. That agreement had a \$200 cap beginning January 1, 2010. Employees under that agreement saw their actual contributions jump to the maximum allowed \$200 in January of this year. We will be at \$177.54 this July, about \$270 less for the ensuing year than what the cap permits. Then, for the year beginning July, 2011, we succeeded in reducing the cap from the \$200 agreed to and ratified in the last contract, to \$190, an unprecedented achievement.

**Holding the line on co-pays and deductibles for the next five years is also a tremendous achievement, one that in and of itself is a major reason to ratify this agreement.** If you doubt it, look around at other health plans, and ask where they will be five years from now.

The rule changes are minor and were agreed to and ratified in 2003 or are to our benefit.

There was a window of opportunity to make this deal. It may not be there after November, if political support for Amtrak changes in Congress. It is widely expected that Republicans will pick up many seats, and that they may regain control of the House of Representatives. If that occurs, we can expect a return to battles over Amtrak funding, with little sympathy for Amtrak workers. The chance to get a contract like this may not come again.

This is an excellent contract by any standard. It represents a major break with the past, where contract negotiations were bitter and protracted. This time there will be no eight year wait, nor the uncertainty of relying on what a third party Presidential Emergency Board will recommend. Instead, there will be significant annual wage increases, strict limits on health care contributions, and no increases in copays or deductibles.

**We strongly recommend that you vote YES.**

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**Your ballot is on the back of this page.**

**Remember, it must be signed and returned by**

**Wednesday, May 26, 2010**

**Illustration of TCU Tentative Amtrak Agreement**  
**Based on Straight-Time Pay Hours and Maximum H&W Contribution**

Effective Date	GW	Ticket Clerk	Secretary	Secretary 1	Baggage A	Baggage B	Usher	Lever Man
Jan. 1, 2010		\$24.43	\$23.67	\$24.43	\$22.60	\$20.76	\$22.71	\$25.15
July 1, 2010	1.50%	\$24.80	\$24.03	\$24.80	\$22.94	\$21.07	\$23.05	\$25.53
Jan. 1, 2011	1.50%	\$25.17	\$24.39	\$25.17	\$23.28	\$21.39	\$23.40	\$25.91
July 1, 2011	1.50%	\$25.55	\$24.76	\$25.55	\$23.63	\$21.71	\$23.75	\$26.30
Jan. 1, 2012	1.00%	\$25.81	\$25.01	\$25.81	\$23.87	\$21.93	\$23.99	\$26.56
July 1, 2012	1.50%	\$26.20	\$25.39	\$26.20	\$24.23	\$22.26	\$24.35	\$26.96
Jan. 1, 2013	1.50%	\$26.59	\$25.77	\$26.59	\$24.59	\$22.59	\$24.72	\$27.36
July 1, 2013	1.50%	\$26.99	\$26.16	\$26.99	\$24.96	\$22.93	\$25.09	\$27.77
Jan. 1, 2014	1.00%	\$27.26	\$26.42	\$27.26	\$25.21	\$23.16	\$25.34	\$28.05
July 1, 2014	1.50%	\$27.67	\$26.82	\$27.67	\$25.59	\$23.51	\$25.72	\$28.47
Jan. 1, 2015	1.50%	\$28.09	\$27.22	\$28.09	\$25.97	\$23.86	\$26.11	\$28.90
Wage Increase Over Term >>		15.0%	15.0%	15.0%	14.9%	14.9%	15.0%	14.9%
Gross Wage Gain Over Term >		\$16,817	\$16,349	\$16,817	\$15,496	\$14,258	\$15,621	\$17,222
H&W Cont. Increase Over Term >		(\$2,069)	(\$2,069)	(\$2,069)	(\$2,069)	(\$2,069)	(\$2,069)	(\$2,069)
Net Wage Gain Over Term >>		\$14,748	\$14,280	\$14,748	\$13,427	\$12,189	\$13,552	\$15,153

**Illustration of TCU Tentative Amtrak Agreement**  
**Based on Straight-Time Pay Hours and Maximum H&W Contribution**

Effective Date	GW	Janitor A	Janitor B	Train Director	Block Op.	Bridge Ten.	Res. Agent	CNOC
Jan. 1, 2010		\$20.29	\$15.73	\$27.27	\$25.71	\$25.70	\$23.04	\$5,272.56
July 1, 2010	1.50%	\$20.59	\$15.97	\$27.68	\$26.10	\$26.09	\$23.39	\$5,351.65
Jan. 1, 2011	1.50%	\$20.90	\$16.21	\$28.10	\$26.49	\$26.48	\$23.74	\$5,431.92
July 1, 2011	1.50%	\$21.21	\$16.45	\$28.52	\$26.89	\$26.88	\$24.10	\$5,513.40
Jan. 1, 2012	1.00%	\$21.42	\$16.61	\$28.81	\$27.16	\$27.15	\$24.34	\$5,568.53
July 1, 2012	1.50%	\$21.74	\$16.86	\$29.24	\$27.57	\$27.56	\$24.71	\$5,652.06
Jan. 1, 2013	1.50%	\$22.07	\$17.11	\$29.68	\$27.98	\$27.97	\$25.08	\$5,736.84
July 1, 2013	1.50%	\$22.40	\$17.37	\$30.13	\$28.40	\$28.39	\$25.46	\$5,822.89
Jan. 1, 2014	1.00%	\$22.62	\$17.54	\$30.43	\$28.68	\$28.67	\$25.71	\$5,881.12
July 1, 2014	1.50%	\$22.96	\$17.80	\$30.89	\$29.11	\$29.10	\$26.10	\$5,969.34
Jan. 1, 2015	1.50%	\$23.30	\$18.07	\$31.35	\$29.55	\$29.54	\$26.49	\$6,058.88
Wage Increase Over Term >>		14.8%	14.9%	15.0%	14.9%	14.9%	15.0%	14.9%
Gross Wage Gain Over Term >		\$13,832	\$10,764	\$18,772	\$17,670	\$17,670	\$15,881	\$20,848
H&W Cont. Increase Over Term >		(\$2,069)	(\$2,069)	(\$2,069)	(\$2,069)	(\$2,069)	(\$2,069)	(\$2,069)
Net Wage Gain Over Term >>		\$11,763	\$8,695	\$16,703	\$15,600	\$15,600	\$13,812	\$18,779