

May 28, 2008

Dear ASWC member,

On May 23, 2008, the Amtrak Service Workers Council reached an agreement covering Amtrak On-Board Service Workers for the period January 1, 2005 through December 31, 2009. That agreement is now before you for ratification. Similar agreements were also initialed on May 23 by TCU Product Line Supervisors and Clerks. Those agreements are also out for ratification.

Included in your ratification packet is an agreement summary, a summary of wage and rate impacts, a copy of the entire agreement and a ballot for your vote. **Returned ballots must be received no later than June 27, 2008.**

This contract has identical wage increases as those in agreements reached by all other unions on Amtrak following the recommendations of Presidential Emergency Board (PEB) 242 for the period January 1, 2005 through December 31, 2009. Those agreements also covered the prior contract period January, 2000 through the end of 2004, during which they received wage increases equivalent to what we received in our contract for those years. The wage increases mirror those in the agreements with the extremely profitable freight railroads.

The wage increases are fully retroactive. Since our agreement covers a five year period instead of the ten years in the other union agreements, our retroactive payment also covers a far shorter period. We were therefore able to convince Amtrak that our retroactive pay should be paid at 100% of what is owed, instead of breaking it up into two payments, 40% this year and 60% next year.

The agreement before you also contains no work rule changes, again following the contracts reached by all other Amtrak unions following PEB 242. That was a tremendous victory, as Amtrak sought major concessions, including the unlimited right to contract out work. Our contract last round was instrumental in persuading the PEB that Amtrak's contracting out demand should be rejected, since we had successfully resisted Amtrak's identical proposal back then to contract out work.

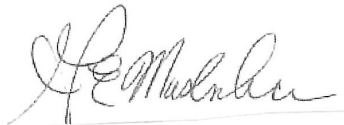
This comprehensive ratification packet contains everything you need to make an informed choice. I urge you to read it carefully and vote **"FOR RATIFICATION."**

Remember your ballot must be received no later than June 27, 2008 to be counted.

Sincerely and fraternally,



Ron Kloos
Chairman



Gary Maslanka
Vice Chairman



Roger Harris
Vice Chairman

AMTRAK ASWC CONTRACT SUMMARY

Below you will find a complete summary of the Agreement before you. The agreement is identical to the fifteen contracts reached by all the other Amtrak unions for the time period January 1, 2005 through December 31, 2009, as well as to the agreements reached with the extremely profitable national freight railroads.

The contract contains wage increases totaling 17%, or 18.2% compounded, for the five years covered. The wages are retroactive to the first increase on July 1, 2005. The contract contains changes to the health and welfare plan, including increases to the monthly employee contribution which are again identical to those agreed to by every other Amtrak union. The contract contains no work rule concessions or changes of any kind.

CONTRACT HIGHLIGHTS

WAGES

The contract provides for General Wage Increases over the five year contract period, as follows:

July 1, 2005:	2.5%	General Wage Increase
July 1, 2006:	3.0%	General Wage Increase
July 1, 2007:	3.0%	General Wage Increase
July 1, 2008:	4.0%	General Wage Increase
July 1, 2009:	4.5%	General Wage Increase

All COLAs that were paid since July 1, 2005 will be offset against the wage increases, as was done in the national freight agreements and in all previous Amtrak contracts. To calculate the impact on your current hourly rate of pay, including COLAs, first deduct 46 cents from what you are now receiving. That represents the COLAs you have received since July 1, 2005 as follows: 8 cents on July 1, 2005; sixteen cents on January 1, 2006; one cent on July 1, 2006; 8 cents on January 1, 2007; 5 cents on July 1, 2007; and 8 cents on January 1, 2008. Then apply the wage increases beginning in July 1, 2005 through July 1, 2008. To calculate your final rate under this agreement, then apply the 4.5% increase on July 1, 2009.

The enclosed rate chart illustrates the impact of the wage increases on our craft's prevalent rates.

RETROACTIVE PAY

If the contract is ratified, we expect the wage increases to be implemented on July 1, 2008. Therefore, retroactive pay will cover the period from the first wage increase, July 1, 2005, through June 30, 2008.

COLA payments beginning July 1, 2005, will be deducted from the payments, as was done in all previous Amtrak contracts.

The contract also adopts the employee health insurance contribution provisions as were contained in all the other ratified Amtrak contracts, which are identical to those in the national freight agreements. The actual contributions are described below. For the purpose of calculating retroactive pay, you will receive credit for the \$75 a month you have already been paying. The health insurance employee contribution will continue to be deducted on a pre-tax basis.

Retroactive payments will vary depending on your rate of pay and how many hours you worked in the retroactive period.

You will receive 100% of the retroactive pay due. Because our retro pay covers a much shorter period than those of the crafts whose contracts go all the way back to 2000, Amtrak agreed not to split the retro pay into two installments, 40% this year and 60% next year.

At the time of the retroactive payment, Amtrak will provide each employee with a statement showing how the amount was calculated. There will be a review procedure for employees who dispute the accuracy of the retroactive calculation, and corrections will be made as soon as possible.

To qualify for a retroactive payment, you must have been on Amtrak's payroll as of December 1, 2007. That includes employees who on December 1, 2007 were on sick leave, disability leave, temporary suspension, furlough, or leave of absence. It excludes employees who retired before December 1, 2007, whether on an age or disability retirement. An employee in dismissed status on December 1, 2007 who is subsequently returned to service through the appeal process will be eligible for appropriate retroactive payments upon return to service. This provision is identical to those in all the other Amtrak contracts, and follows the recommendation of PEB 242.

Neither union dues nor 401(k) deductions will be made from the retroactive payment.

ELIMINATION OF HARRIS COLA

The agreement does not provide for the resumption of the Harris COLA in 2010 or thereafter, again following the pattern set by the National Freight Agreements. We do not view this as much of a loss, inasmuch as Harris COLAs have always been offset against retroactive pay, and can lead to automatic increases in employee health and welfare contributions.

HEALTH & WELFARE CHANGES

The Agreement contains numerous changes to our negotiated health and welfare plans, changes which mirror those contained in the last national freight settlement. Some changes represent improvements in benefits while others are aimed at containing rising health care insurance costs. Below is a summary description of all of the changes. If the Agreement is ratified, changes will take effect July 1, 2008.

Employee Monthly Cost-Sharing Contributions

Employee health and welfare contributions will be set at 15% of Amtrak's insurance costs for medical, dental, vision, life and AD&D coverage. Currently, monthly contributions are \$166.25 and are recalculated to be effective each July. As of the date the tentative agreement was initialed, the employee monthly contribution beginning July 1, 2008 was still being determined. Based on available, but still incomplete, information about the cost of the medical plan, it appears that employee contributions will remain at \$166.25, or slightly less, for the succeeding twelve months. It is clear that there will not be a significant increase on July 1, 2008. The Agreement also provides a cap so that cost-sharing contributions cannot exceed \$200 in 2010, unless they exceeded that amount in 2009 in which case the 2009 rates will continue in 2010. Based upon medical cost inflation and AmPlan projections, it is unlikely that cost sharing will reach \$200 in either 2009 or 2010. Cost sharing contributions will be frozen after July, 2010 unless changed in the next agreement.

Past employee health and welfare monthly contributions contained in the other Amtrak agreements (which are the same as in the National Freight Agreements) will be applied against retroactive pay on the same timeline that they were implemented nationally, as follows:

July 1, 2005:	\$97.43
January 1, 2006:	\$123.28
January 1, 2007:	\$166.25
January 1, 2008:	\$166.25

For purposes of calculating retroactive pay, the \$75.00 monthly contribution you have already been paying will be credited against these amounts.

As has been the case, employee health and welfare contributions will be deducted from your pay on a pre-tax basis which means that you do not pay federal or state income taxes or Railroad Retirement taxes on the amount of your cost-sharing contributions.

In general, employees will be required to make a monthly contribution only when they are in active service, which will be determined by whether the employee renders seven days of compensated service or receives vacation pay in the previous month. Holiday pay, jury duty, and bereavement leave do not count as compensated service, nor do Railroad Retirement sickness or unemployment payments count. For example, an

employee on disability who has coverage under the health and welfare plan would not be responsible for making monthly cost-sharing contributions, unless he received at least seven days compensation in the previous month.

Life Insurance and Accidental Death and Dismemberment Insurance

The life insurance benefit for active employees increases from \$10,000 to \$20,000. Accidental Death and Dismemberment benefits increase from \$8,000 to \$16,000.

New Hearing Benefit

A new hearing benefit will be provided up to a maximum of \$600 per calendar year to cover tests and examinations to diagnose hearing loss, and for charges for a hearing aid.

Vision Care Plan

The Vision Care plan networks will be expanded to new areas and will include more optometrists in existing networks.

Supplemental Sickness Plan

Supplemental sickness benefits will increase significantly by updating the ratio of benefits to new, higher hourly rates of pay. For the first time in years, Amtrak supplemental sickness benefits will be on a par with those of the freight railroads. In addition, the time limit for submitting a claim has been expanded from 20 to 60 days from onset of disability.

Medical Plan: Managed Medical Care Program (MMCP)

Most of our members are enrolled in the Managed Medical Care Program (MMCP). Under MMCP, there is no deductible for in-network services. For out-of-network services the Agreement provides for an increase in yearly deductibles to \$300 per individual and \$900 per family. Annual out-of-pocket maximums for out-of-network services will also rise to \$2,000 per individual and \$4,000 per family.

MMCP co-pays for office visits to in-network doctors (General Practice, Family Practice, Internal Medicine, Pediatrics or OB-GYN) will change from \$15 to \$20. Co-pays for visits to specialists or any other provider will be \$35. Co-pays for visits to an Urgent Care Center will be \$25. Emergency room co-pays will stay at \$50, and the co-pay will continue to be waived if the patient is admitted to the hospital.

Medical Plan: Comprehensive Health Care Benefit (CHCB)

The CHCB individual deductible will change from \$100 to \$200 and the family deductible will change from \$300 to \$400.

The CHCB annual out-of-pocket maximums will change from \$1,500 per person to \$2,000 per person with a maximum of \$4,000 per family.

Credit for Deductibles Already Paid

For both CHCB and MMCP out-of-network charges, any amounts members may have already paid in 2008 towards deductibles and/or out-of-pocket maximums will be credited and applied towards the new maximums.

Cochlear Ear Implants

Coverage of cochlear ear implants will be enhanced to include implants for diagnosis or treatment of hearing loss.

Prescription Drug Program

Prescription drug co-pays up to 21 days at retail pharmacies will change to \$10 generic; \$20 brand name; and \$30 non-formulary brand. A 90-day mail order supply will cost \$20 generic; \$30 brand name; and \$60 non-formulary brand.

The change to a 3-tiered prescription drug plan is new to Amtrak, although it is common to many other plans. The 3-tier structure includes generic drugs, formulary brand drugs (drugs on a covered drug list called a “formulary”) and non-formulary brand drugs (drugs not on the covered drug list). Caremark, the company administering the drug plan, maintains an extensive formulary list with a brand drug in each therapeutic drug category. Because the 3-tier design is so common, many doctors already know how to access and check the Caremark formulary list prior to writing a prescription and will do so for the members, although we recommend that you inform your physician of this change. In addition, Amplan will be notifying members how they can access the up-to-date Caremark formulary list.

Eligible Dependents

The definition of children who are considered eligible dependents under the medical, dental and vision plans is restricted to include: natural children, stepchildren, legally adopted children (including children placed with you for adoption), your grandchildren who live with you and are primarily dependent on you.

Opting Out of AmPlan Medical Plan

Opt-out provisions are expanded to include situations in addition to the employee's spouse working for Amtrak.

Anytime during 2008, and during annual open enrollment periods, employees have the option to opt-out of medical care coverage for themselves and their dependents provided they certify that they have health care coverage under another group health plan or health insurance policy that includes medical, prescription drug, and mental health/substance abuse benefits. In the case of an employee whose spouse is also an Amtrak employee covered by AmPlan, one of them may opt-out and would thereafter be covered as a dependent of the other.

Employees who opt-out will not be obligated to pay monthly cost-sharing contributions. Employees who opt-out will continue to have on-duty injury medical coverage, dental, vision, and supplemental sickness coverage, as well as life and AD&D insurance and off-track vehicle insurance. Please note that your opt-out will become effective the month following the month in which you advise Amtrak of your desire to opt out.

An employee who opts-out will be able to revoke that election if the employee subsequently loses eligibility under, or there is a termination of employer contributions toward, the other coverage that allowed the employee to make the opt-out election, or if COBRA was the source of such other coverage, that COBRA coverage is exhausted.

CONCLUSION

The contract contains significant wage increases. They are identical to those found in the agreements that have been ratified by every other union on Amtrak. They are also identical to the wage increases to those attained on the national freight railroads, which are some of the most profitable companies in the country.

The wage increases are fully retroactive, and will be paid in one 100% installment as soon as possible after ratification.

There are no concessionary work rule changes.

The increases in health insurance contributions are also identical to those found in all other Amtrak agreements, as well as in the freight agreements. The wage increases will produce significant immediate increases in take home pay, even after health and welfare contributions are deducted.

This contract would not have been possible had it not been for the astounding success at PEB 242. A Presidential Emergency Board appointed by President Bush ignored almost all of Amtrak's proposals and instead recommended adoption of the unions' positions on back pay, no work rule changes, and wages equivalent to the

national freight pattern. The contracts reached based on the Board's recommendations are worth \$150 million more than Amtrak was offering.

The contract before you restores Amtrak workers to essentially the same economic status as our brothers and sisters who work for the profitable freight railroads. The wage increases are the same. The health and welfare contributions and benefit changes are essentially the same.

We strongly recommend ratification of this contract.