

## WAGE AND RULE AGREEMENT

THIS AGREEMENT, effective upon receipt of written notice of ratification, or as specifically otherwise indicated, by and between National Railroad Passenger Corporation (Amtrak), and the employees represented by the American Railway and Airway Supervisors Association (ARASA-OBS) witnesseth:

### **IT IS HEREBY AGREED:**

#### **ARTICLE I – WAGES**

##### **Section 1 -First General Wage Increase**

Effective July 1, 2005, all base rates of pay for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2.5) percent. The increase provided for in this Section 1 shall be applied as follows:

(a) Disposition of Fractions -

Rates of pay resulting from the above calculation, which end in fractions of a cent shall be rounded to the nearest whole cent; fractions less than one-half cent shall be dropped, and fractions of one-half cent or more shall be increased to the nearest full cent.

(b) Application of Wage Increases -

The increase in wages provided for in this Article shall be applied in accordance with the wage or working conditions agreement in effect between Amtrak and the labor organization party hereto. Special allowances not included in fixed hourly, daily, weekly or monthly rates of pay for all services rendered, and arbitraries representing duplicate time payments, will not be increased. Overtime hours will be computed in accordance with individual schedules for all overtime hours paid.

##### **Section 2 – Second General Wage Increase**

Effective July 1, 2006, all rates of pay resulting from the calculation above for employees covered by this Agreement shall be increased in the amount of three (3) percent. The increase provided for in this Section 2 shall be applied in the same manner as provided for in Section 1 hereof.

### **Section 3 – Third General Wage Increase**

Effective July 1, 2007, all rates of pay resulting from the calculation above for employees covered by this Agreement shall be increased in the amount of three (3) percent. The increase provided for in this Section 3 shall be applied in the same manner as provided for in Section 1 hereof.

### **Section 4 – Fourth General Wage Increase**

Effective July 1, 2008, all rates of pay resulting from the calculation above for employees covered by this Agreement shall be increased in the amount of four (4) percent. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 1 hereof.

### **Section 5 – Fifth General Wage Increase**

Effective July 1, 2009, all rates of pay resulting from the calculation above for employees covered by this Agreement shall be increased in the amount of four and one-half (4.5) percent. The increase provided for in this Section 5 shall be applied in the same manner as provided for in Section 1 hereof.

### **Section 6 – Retroactive Payments**

- (a) Amtrak will implement the retroactive terms of the Article on the first day of a calendar month within the sixty day period after notice of ratification.
- (b) Retroactive payments that result from the implementation of this Article, less the offsets provided in Articles II, Part A, and III, Part B, shall be made to employees within sixty days after notice of ratification.
- (c) Eligibility for retroactive payments shall be limited to those employees who were on the payroll as of December 1, 2007, including sick leave, disability (excluding disability retirement), temporary suspension on December 1, 2007, furlough or leave of absence.

## **ARTICLE II- COST-OF-LIVING: PAYMENTS**

### **Part A -Cost-of Living Payments Under Agreement Dated August 1, 2004**

The COLA provision in the prior agreement shall be eliminated effective with the implementation of this Article. The net value of the cost-of-living allowance payments after the health care cost sharing offset shall be recovered from any retroactive payments made under Article I of this Agreement.

## **ARTICLE III – MEDICAL PLAN AND VISION PLAN**

### **Part A -Plan Changes**

#### **Section 1 -Continuation of Health and Welfare Plan**

The AMPLAN medical plan (“the Plan”) and vision plan, modified as provided in this Article with respect to employees represented by the organization and their eligible dependents, will be continued subject to the provisions of the Railway Labor Act.

#### **Section 2 -Plan Benefit Changes**

- (a) The Plan's Prescription Drug Card Program co-payments to in-network pharmacies per employee prescription are revised as follows:
  - (i) Generic Drug -\$10.00;
  - (ii) Brand Name (Non-Generic) Drug on Program Administrator's Formulary -\$20.00;
  - (iii) Brand Name (Non-Generic) Drug Not on Program Administrator's Formulary - \$30;
  - (iv) Brand Name (Non-Generic) Drug on Program Administrator's Formulary that is not ordered by the patient's physician by writing “Dispense as Written” on the prescription and there is an equivalent Generic Drug-increase to \$20.00 plus the difference between the Generic Drug and the Brand Name (Non-Generic) Drug;
  - (v) Brand Name (Non-Generic) Drug Not on Program Administrator's Formulary that is not ordered by the patient's physician by writing “Dispense as Written” on the prescription and there is an equivalent Generic Drug-increase to \$30.00 plus the difference between the Generic Drug and the Brand Name (Non-Generic) Drug;

- (b) The Plan's Mail Order Prescription Drug Program co-payments per employee prescription are revised as follows:
  - (i) Generic Drug -\$20.00;
  - (ii) Brand Name (Non-Generic) Drug on Program Administrator's Formulary - \$30.00;
  - (iii) Brand Name (Non-Generic) Drug Not on Program Administrator's Formulary - \$60.
- (c) A Hearing Benefit will be provided. Such arrangement shall provide a Maximum Benefit of \$600.00 annually for each covered person for covered expenses. Covered expenses shall consist of charges for medically necessary tests and examinations to establish whether and to what extent there is a hearing loss, and charges for a permanent hearing aid that is medically necessary to restore lost hearing or help impaired hearing. Such Benefit may, at the Carrier's option, be administered through the Plan or as a separate arrangement, and will include standard limitations, conditions and exclusions.
- (d) In addition to the Plan's existing coverage for cochlear implants, such implants for diagnosis or treatment of hearing loss will be a Covered Health Service under the CHCB and MMCP.
- (e) The Plan life insurance benefit for active employees shall be increased to \$20,000, and the Plan's maximum accidental death and dismemberment benefit for active employees shall be increased to \$16,000.
- (f) All of the benefits as changed herein will be subject to the Plan's generally applicable limitations, conditions, and exclusions. Existing Plan provisions not specifically amended by this Article shall continue in effect without change.
- (g) This Section shall become effective with respect to employees covered by this Agreement on July 1, 2008.

### **Section 3 – Vision Care**

The benefits provided under the Vision Care Plan shall be changed from the Select to the Standard arrangement on July 1, 2008.

#### **Section 4 –Plan Design Changes To Contain Costs**

- (a) The annual deductibles for Individual and Family under the Plan's CHCB will be increased to \$200 and \$400, respectively. The Annual Out-of-Pocket Maximum under the Plan's CHCB will be increased to \$2,000 per individual and \$4,000 per family.
- (b) The annual deductibles for Individual and Family Out-of-Network services under the Plan's MMCP will be increased to \$300 and \$900, respectively. The Annual Out-of-Pocket Maximum under the Plan's MMCP for out of network services will be increased to \$2,000 per individual and \$4,000 per family.
- (c) Under the MMCP:
- (i) the Office Visit Co-Payment for In-Network Services shall be increased to \$20.00 for each office visit to a provider in general practice or who specializes in pediatrics, obstetrics-gynecology, family practice or internal medicine.
- (ii) The co-payment on behalf of a participant or beneficiary for each visit to an Urgent Care Center is \$25.00
- (iii) The co-payment on behalf of a participant or beneficiary for each visit to a Specialist or any other provider shall be \$35.
- (d) For purposes of the Plan, the term “children” as used in connection with eligibility for benefits is defined as follows:

“Children include:

- natural children,
- stepchildren,
- adopted children (including children placed with you for adoption), and
- your grandchildren, provided they have their legal residence with you and are dependent for care and support mainly upon you and wholly, in the aggregate, upon themselves, you, your spouse, scholarships and the like, and governmental disability benefits and the like.”

The definition of the term "children", as used in connection with determinations of "Eligible Dependents" under the terms of the Dental Plan and the Vision Plan, respectively, shall be revised as provided as above.

- (e) The Plan design changes contained in this Section shall become effective on July 1, 2008.

## **Part B – Employee Cost Sharing of Plan Cost Amounts**

### **Section 1**

Employee cost sharing contributions towards AMPLAN, Dental, Vision, AD&D, and life insurance coverage under this contract will be as follows:

- (a) Effective July 1, 2005, each employee covered by this Agreement shall contribute \$97.43 for each month that the employee met the qualifying requirement for active employees for AMPLAN health benefits coverage for himself and/or his dependents.
- (b) Effective January 1, 2006, each employee covered by this Agreement shall contribute \$123.28 for each month that the employee met the qualifying requirement for active employees for AMPLAN health benefits coverage for himself and/or his dependents.
- (c) Effective January 1, 2007, each employee covered by this Agreement shall contribute \$166.25 for each month that the employee met the qualifying requirement for active employees for AMPLAN health benefits coverage for himself and/or his dependents.
- (d) Effective January 1, 2008, each employee covered by this Agreement shall contribute \$166.25 for each month that the employee met the qualifying requirement for active employees for AMPLAN health benefits coverage for himself and/or his dependents.
- (e) Effective July 1, 2008 the per month employee cost-sharing contribution amount set forth in subsection (h) shall be changed to one-twelfth of 15% of the per employee cost for AMPLAN, Dental, Vision, AD&D and Life Insurance coverage for the prior calendar year.
- (f) The employee cost sharing contribution shall be further adjusted on the basis of the calculation above on July 1, 2009, and July 1, 2010.

(g) Notwithstanding the result of the formula in (i) above, the July 1, 2010, employee monthly cost-sharing contribution shall be adjusted to be the lesser of (i) or (ii) below:

(i) 15% of the Carrier's total costs of above benefits for the last plan year, divided by 12, or

(ii) \$200.00 or the July 1, 2009, employee monthly cost-sharing contribution amount, whichever is greater.

Last amount in the 2010 calculation will continue and not increase unless by agreement.

(h) In the application of the above paragraphs (a) through (e), it is understood the \$75 per month prior health contribution already paid will be credited toward the amounts shown in those paragraphs.

### **Section 2 - Pre-Tax Contributions**

Employee cost-sharing contributions shall be made on a pre-tax basis, and in that connection, a Section 125 cafeteria plan will be established pursuant to this Agreement.

### **Section 3 – Retroactive Contributions**

Retroactive employee cost-sharing contributions shall be offset against any retroactive wage payments provided to the affected employee under Article I, Sections 6 of this Agreement, provided, however, there shall be no such offset for any month for which the affected employee was not obligated to make a cost-sharing contribution. An employee's retroactive cost-sharing contribution shall in no event exceed the retroactive portion of general wage increases payable under Article I, Section 6.

### **Section 4 – Spouse Coverage and Opt-Out**

The Spouse Coverage and Opt-Out provisions in the prior agreement are replaced by those below.

(a) During a prescribed election period preceding each January 1 thereafter, employees may certify to the Plan or its designee in writing that they have health care coverage (which includes medical, prescription drug, and mental health/substance abuse benefits) under another group health plan or health

insurance policy, including AmPlan, that they identify by name and, where applicable, by group number, and for that reason they elect to forego coverage for health benefits for themselves and their dependents under the Plan. Such election is hereafter referred to an "Opt-Out Election" and, when exercised, the employee will not be required to contribute monthly payments to the Plan as described in this Agreement. An employee who exercises an Opt-Out Election shall be opting-out of medical plan coverage but shall retain coverage under other negotiated health and welfare plans so long as he otherwise satisfies eligibility and coverage requirements of those plans.

- (b) If an event described below occurs subsequent to an employee's Opt-Out Election, the employee may, upon providing the Plan or its designee with proof satisfactory to it of the occurrence of such event, revoke his or her Opt-Out Election. An employee may also revoke his or her Opt-Out Election by providing the Plan or its designee with proof satisfactory to it that, after the employee made the Opt-Out Election, a person became a dependent of the employee through a marriage, birth, or adoption or placement for adoption. An employee who revokes an Opt-Out Election will, along with his or her dependents, be once again covered (effective the first day of the first month following such revocation that the employee and/or his dependents would have been covered but for the Opt-Out Election the employee had previously made) for health benefits under the Plan, and will be required to contribute the monthly payments to the Plan.

The following events are the events referred to in the immediately preceding paragraph:

- (i) The employee loses eligibility under, or there is a termination of employer contributions for, the other coverage that allowed the employee to make the Opt-Out Election, or
- (ii) If COBRA was the source of such other coverage, that COBRA coverage is exhausted.
- (c) There is no retroactive application of this opt-out provision.
- (d) When a husband and wife are each covered for medical benefits by virtue of each being an Amtrak employee, one spouse may opt-out provided that the other spouse remains covered as an Eligible Employee. In that event, the Plan's coordination of benefits rules that are applied when a husband and



wife are covered under the Plan both as an Eligible Employee and as an Eligible Dependent shall continue to be applicable.

#### **ARTICLE IV - GENERAL PROVISIONS**

##### **Section 1 -Approval**

This Agreement is subject to ratification by the union.

##### **Section 2 -Effect of this Agreement**

- (a) The purpose of this Agreement is to fix the general level of compensation during the period of the Agreement, and to settle the disputes growing out of all of the parties' respective Section 6 Notices now open.
- (b) This Agreement shall remain in effect through December 31, 2009 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.
- (c) No party to this Agreement shall serve, prior to November 1, 2009 (not to become effective before January 1, 2010) any notice or proposal for the purpose of changing the subject matter of the provisions of this Agreement or which proposes matters covered by the proposals of the parties cited in paragraph (a) of this Section, and any proposals in pending notices relating to such subject matters are hereby withdrawn.

(d) This Article will not bar management and the organization from agreeing upon any subject of mutual interest.

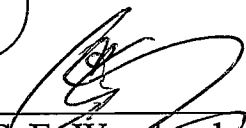
SIGNED AT WASHINGTON, DC THIS 23 DAY OF May, 2008.

**FOR THE NATIONAL  
RAILROAD PASSENGER  
CORPORATION:**

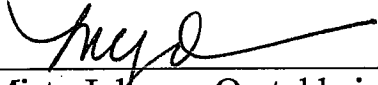
**AMERICAN RAILWAY AND  
AIRWAY SUPERVISORS  
ASSOCIATION (ARASA-OBS):**

  
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J. M. Bress,  
Vice President, Labor Relations

  
\_\_\_\_\_  
Joseph J. Derillo,  
International Representative

  
\_\_\_\_\_  
C. E. Woodcock, III  
Asst. V.P., Labor Relations

  
\_\_\_\_\_  
Larry Volten,  
General Chairman

  
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Misty Johnson Oratokhai  
Director, Labor Relations

Side Letter #1  
May 23, 2008

Joseph J. Derillo,  
International Representative

Larry Volten,  
General Chairman

RE: AMPLAN Spouse Coverage and Opt-Out

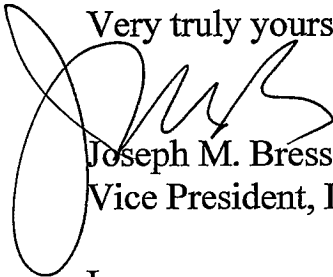
Dear Gentlemen:

This will confirm our understanding concerning Article III, Part B, Section 3 on AMPLAN Spouse Coverage and Opt-Out of the agreement of this date.

This confirms our understanding that for the balance of 2008, employees may exercise the options in Section 3 provided they advise Amtrak of their desires by the end of the month following the month of ratification.

If the foregoing accurately reflects our understanding, please sign where indicated below.

Very truly yours,



Joseph M. Bress  
Vice President, Labor Relations

I concur:

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Joseph J. Derillo  
International Representative  

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Larry Volten,  
General Chairman

Side Letter #2  
May 23, 2008

Joseph J. Derillo,  
International Representative

Larry Volten,  
General Chairman

RE: Retroactive Pay

Dear Gentlemen:

This will confirm our understanding concerning Article I, Section 6(b) of the agreement of this date.

This confirms our understanding that the status of "furlough" or "leave of absence" as used in Article I, Section 6(b) will not include those employees who as of December 1, 2007, were working in a non-Union covered position on Amtrak or for another government agency or company, including commuter operations.

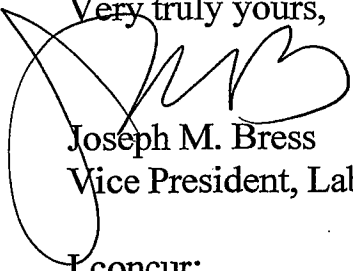
This also confirms our understanding that an employee in dismissed status on December 1, 2007 who is subsequently returned to service through the

Side Letter #2  
May 23, 2008  
Page 2

disciplinary appeal process will be considered eligible for retroactive payments under the term "temporary suspension" in Section 6(b).

If the foregoing accurately reflects our understanding, please sign where indicated below.

Very truly yours,



Joseph M. Bress  
Vice President, Labor Relations

I concur:

  
\_\_\_\_\_  
Joseph J. Derillo  
International Representative

  
\_\_\_\_\_  
Larry Volten,  
General Chairman

Side Letter #3  
May 23, 2008

Joseph J. Derillo,  
International Representative

Larry Volten,  
General Chairman

Dear Gentlemen:

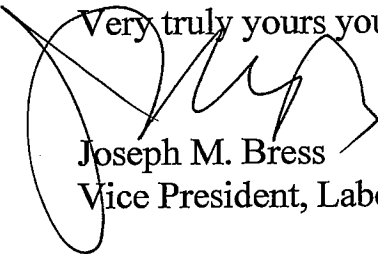
The retroactive payment to each American Railway and Airway Supervisors Association (ARASA-OBS) represented employee will be calculated as follows:

- The total value of the retroactive payment will be calculated first from July 1, 2005, until the date of the first payment of the wage increase occurs.
- The total value will be offset by the COLA payments during the period and the health insurance contributions during the period over the \$75 monthly amount already paid.
- The final figure will represent 100% of the retroactive pay due.
- At the time of the retroactive payment, the employee will be provided a statement of the full value of the total retroactive payment.

Side Letter #3  
May 23, 2008  
Page 2

Amtrak will establish a review procedure for employees who believe their retroactive pay calculation may not be correct. Should such a dispute be resolved in the employee's favor, the correction will occur as soon as practicable.

Very truly yours yours,



Joseph M. Bress  
Vice President, Labor Relations

I concur:



Joseph J. Derillo  
International Representative



Larry Volten,  
General Chairman

Side Letter #4  
May 23, 2008

Joseph J. Derillo,  
International Representative

Larry Volten,  
General Chairman

Dear Gentlemen:

This will confirm our understanding concerning various payroll transactions pursuant to the agreement reached this date.

In the implementation of the agreement, the following understandings will be applied:

- Employee benefit cost sharing contributions over the \$75 monthly amount prospectively will not be implemented until new rates of pay are implemented.
- Employee benefit cost sharing contributions will not be deducted in the same check as union dues are deducted.
- Neither union dues nor 401(K) deductions, as may be applicable, will be made from the retroactive pay payments.



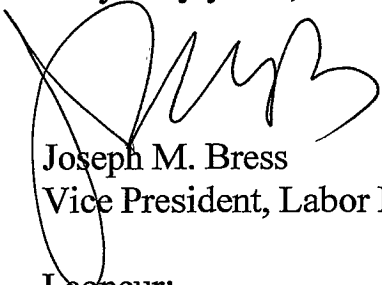
Side Letter #4

May 23, 2008

Page 2

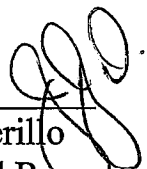

If the foregoing accurately reflects our understanding, please sign where indicated below.

Very truly yours,



Joseph M. Bress  
Vice President, Labor Relations

I concur:

  
\_\_\_\_\_  
Joseph J. Derillo  
International Representative  
\_\_\_\_\_  
Larry Volten,  
General Chairman

Side Letter #5  
May 23, 2008

Joseph J. Derillo,  
International Representative

Larry Volten,  
General Chairman

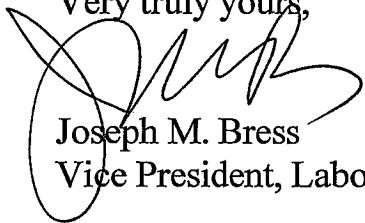
Dear Gentlemen:

This will confirm our understanding that the retroactive wage payments will be paid in one payment.

Unlike the recent Agreements that resulted from the recommendations of Presidential Emergency Board 242, this Agreement covers a period beginning January 1, 2005. Given that the period of this Agreement and the retroactive pay is less, Amtrak will pay the retroactive pay in one sum consistent with Article 1, Section 6, rather than in two portions.


If the foregoing accurately reflects our understanding, please sign where indicated below.

Very truly yours,



Joseph M. Bress  
Vice President, Labor Relations

I concur:



\_\_\_\_\_  
Joseph J. Derillo  
International Representative



\_\_\_\_\_  
Larry Volten,  
General Chairman