

NATIONAL RAILROAD PASSENGER CORPORATION

60 Massachusetts Avenue, N.E., Washington, DC 20002

tel 202 906.2793 fax 202 906.3783

Joseph M. Bress
Vice President, Labor Relations**VIA FAX & US MAIL**

April 11, 2005

Mr. Lawrence E. Gibbons
Director, Office of Mediation Services
National Mediation Board
Suite 250 East
1301 K Street, N.W.
Washington, DC 20572**Re: NMB Case Number A-13080
National Railroad Passenger Corporation (Amtrak) & BMW**

Dear Mr. Gibbons:

This is in response to your March 29, 2005, letter regarding the request from Brotherhood of Maintenance of Way Employees' President Freddie N. Simpson that the organization be released from Mediation.

Amtrak's position is that a release is not appropriate. Throughout our negotiations with this organization, Amtrak has provided a number of proposals on a variety of benefit and work rule issues, virtually all of which have been summarily rejected.

At our last mediation session in May 2004, we explained that the adoption of the BMW National Settlement on Amtrak, as the organization seeks, would place their wage rates substantially behind other crafts, upsetting compensation structures and exacerbating recruiting and retention problems in the craft. We provided a comprehensive settlement proposal at that time, patterned on the wage and benefit provisions of contract settlements reached on Amtrak covering approximately one-third of the work force. The work rule provisions in this latest proposal were substantially modified in an effort to reach a settlement. Despite these efforts, our proposal was summarily rejected. The fact is the BMW has yet to provide any response or engage in any meaningful dialog to this day, other than rejection, to meet Amtrak's need to improve productivity, control costs and operate more efficiently within an environment of greater scrutiny and difficult funding and revenue receipt.

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Amtrak recognizes that reaching a negotiated settlement is made more difficult in light of Amtrak's uncertain financial status. Amtrak's reduced funding level for Fiscal Year 2005, coupled with repayment of the United States Department of Transportation (DOT) loan, has severely limited our financial resources this year. Additionally, the current zero funding proposal for Fiscal Year 2006 is clearly not helpful to reaching negotiated settlements. In the context of these fiscal realities, the refusal of the Brotherhood of Maintenance of Way Employees to engage in meaningful negotiations does not serve as a basis for its request to be released from mediation. The Brotherhood of Maintenance of Way Employees cannot be rewarded with a release for its failure to negotiate during the entire span of these negotiations.

Finally, the Administration, through the United States Department of Transportation, and the Amtrak Board are each developing reform proposals for the future of the company. It is more than clear that work rule changes and productivity improvements are more important than ever now. BMWWE should be working collaboratively at the negotiating table to address Amtrak's future. To release it from negotiation now undercuts rather than advances the negotiation process.

Under these circumstances, we believe that a release from mediation cannot be justified. It would be appropriate to resume mediation efforts in this case should the organization demonstrate its willingness to engage in meaningful negotiations.

Very truly yours,

A handwritten signature in black ink, appearing to read "Joseph M. Bress".

Joseph M. Bress
Vice President-Labor Relations

cc: Freddie N. Simpson