April 30, 2013

Dear Brothers and Sisters,

Re: New Jersey Racetrack Catenary Conversion Agreement

The purpose of this letter is to report to you about an agreement we have reached with Amtrak regarding their desire to contract out the construction of new catenary for the purposes of creating a constant tension system in a project known as the New Jersey Racetrack Project. The New Jersey Racetrack Project involves the 23 miles of track between New Brunswick and Trenton, NJ and is designed to increase the speeds of the train to 160 miles an hour. The catenary portion of this project is estimated to cost 150 million dollars and has a scheduled start date of later this year and a completion date of June 2017.

The future of passenger rail and our jobs, are in the construction of high speed corridors. A critical element for the creation of high speed passenger trains on the Northeast Corridor is the replacement of the existing catenary system with a constant tension system. Amtrak is aggressively pursuing a strategy to contract out all high speed rail improvements, including the installation of the constant tension for the catenary system. Amtrak served us with a notice in February 2012, to replace the 23 mile catenary system using contractors. Specifically they wanted to install 1,302 catenary poles and foundations, 651 portal beams, and 188 guy anchors and replace 92 miles of wire (23 miles times 4 tracks) with a constant tension technology. They wanted to use contractors to take out and replace the wire and put up the new poles.

For more than a year, we have met with Amtrak management over their proposal. These were tough, hard negotiations. At stake was literally the future of the Electric Traction Department line side. We believe that the collective bargaining agreement protects all of this work from contractors and reserves it to the lineman classification. Amtrak believes that they have the right to contract out major power conversions under the contract and that this is a major power conversion, moreover they argue they simply do not have the manpower to add this project to the current projects they have already committed to complete. Indeed, there are currently enough ongoing projects in the Metropolitan Division to keep the ET linemen fully employed for many years to come without the New Jersey Racetrack Project. We do not believe that the contract permits Amtrak to contract out our core work without our permission even
when the manpower does not exist on the property to do the job. We also do not believe that this is a conversion of a major power system but rather the construction of a new catenary system which is work that is protected by our agreement.

When there is no agreement on how to proceed with a contracting out of work proposal the issue will go to arbitration where a final and binding decision will be issued with no right to an appeal. Even when you are 100% right there is always risk to go to arbitration and while we are confident of a victory there is always the possibility of a bad arbitration ruling. This possibility is increased because arbitrators sometimes become afraid to rule in favor of the Union when 150 million dollars are at stake. Losing this issue now would mean we have lost the work to a contractor for literally the next generation of linemen. If this constant tension project is successful there are plans to ultimately replace the entire catenary between New York and Washington, D.C., and out to Harrisburg, with this technology. By making an agreement to keep this work under our collective bargaining agreement without the risk of arbitration we will literally protect the jobs of hundreds of BMWED linemen for a generation to come.

We elected to negotiate a settlement of this dispute in the hopes of avoiding the uncertainty of arbitration. We had a great deal to lose in arbitration, but Amtrak also had a great deal to lose so they were forced to the bargaining table on this subject. We are pleased to report to you that we believe that we have negotiated a positive resolution to this dispute. It is a negotiation and that does not mean we are happy with every aspect of the agreement. Under this agreement we will perform most of the work, not the contractor. We had to modify some work rules to obtain this goal and where the work rules were modified we believe we have provided some good additional compensation to those directly affected by the work rule change.

The agreement is attached for your ready reference, but in brief it provides for the following:

1. BMWED Amtrak ET forces will remove the old wire, install the new wire and constant tension system, cat pole appurtenances, cantilevers and/or drop brackets, signal power drops and wire connections, span modifications and portal beam installation.

2. **Wire Work.** Amtrak will purchase a new Production Wire Train (PWT) and operate it under Rule 90E of the agreement with the following modifications:
   
   A. Starting times and rest days will be governed by Rule 42 and 32 of the agreement. Written shift change notice may be given 14 days in advance. All employees on the PWT will receive the $1.00 per hour production bonus.

   B. Amtrak will provide transportation to the headquarters
located between New Brunswick and Trenton, from either New Brunswick or Trenton train stations, for those that need it.

C. All PWT employees will receive the daily meal per diem.

D. The PWT manufacturer will train employees who bid for the new wire train. Employees who bid these positions will be required to stay on the position for one year. These employees will receive an additional $1.00 per hour differential. Employees may not bid out for one year, but senior employees entitled to a displacement may displace onto the wire train and receive training.

3. **Cat Pole Work.** While Amtrak formally acknowledges that the installation of cat poles is work that belongs to the lineman classification, for this project only the new cat poles will be installed by Rule 90D B&B gangs with the following modifications to Rule 90D:

   A. B&B gangs will construct new foundations, erect new poles, finish new concrete on foundations, install portal beams, cantilevers and drop brackets.

   B. Contractors may be used to assist the cat pole gangs as follows:

      1. Drill Rigs Crews - bore holes for installation of caissons.
      2. Crane Operators - hoist catenary poles, cantilevers and portal beams into place for installation.
      3. Concrete Truck Operators - deliver and pour concrete.

   C. Starting times and rest days will be governed by Rules 42 and 32 and written shift change notice will be given 14 days in advance notice.

   D. All line side election traction employees will receive an additional 75 cents an hour differential while the 90D gang for cat pole installation exists.

5. **Piloting Work.** Parties will negotiate a piloting agreement using the Pilot Agreement of November 2, 2001, as a template to govern some of the piloting work associated with the Racetrack Project.
6. **Hiring Commitments.** Amtrak agrees to hire 60 additional ET trainees for the Metropolitan Division line side ET Department between 2013 and 2017.

We believe that this agreement is better than the risks associated with going to arbitration. There are some aspects of the agreement that are very good and some aspects of the agreement that are not good, but on balance we see this agreement as a victory for our Union. We believe that we have preserved the work for our ET Linemen, and with that their future. In addition, everyone who will be employed on this project will receive some substantial additional compensation for the changes that we made to secure the work.

We had a lot of help in this fight. We had the expertise from rank and file ET members who are too numerous to mention by name. We are fortunate that we have many members who are willing to come forward and assist us when we make the request for help. Our National Division provided us with the expertise of their arbitration department who worked with us preparing the issue for arbitration based upon the information provide by these rank and file activists. This collective effort forced Amtrak management to make an agreement with us. We hope you agree that given our risks and a very aggressive management on this subject that we have produced a good agreement for all of us.

In solidarity,

Jed Dodd, General Chairman
Pennsylvania Federation BMWED

George Davidson, Vice Chairman ET
Pennsylvania Federation BMWED
Amtrak-Pennsylvania Federation of BMWED Racetrack Catenary Conversion Project Agreement

1. This Agreement is made without prejudice to either parties' position regarding the application of the scope rule and in response to the contracting out of work notice numbers 02-LCR-01-0112 regarding the Catenary Conversion Project identified in the notices and known as the "Racetrack Project." The "Racetrack Project" is located approximately between Milepost 33 to Milepost 56 (New Brunswick to Trenton) on the New York Division.

2. Amtrak will use Electric Traction (ET) forces to remove the old wire, install the new wire and the constant tension system, cat pole appurtenances, cantilevers and/or drop brackets, signal power drops and wire connections. In addition, but not limited to, ET forces will perform work related to span modifications and portal beam installation. All wire protection work will be provided by Amtrak ET forces for the "Racetrack Project." Roadway Worker Protection shall be provided by Amtrak qualified employees.

3. **Wire Work.** Amtrak will purchase a new Production Wire Train (PWT) to assist this project and will advertise positions to staff the PWT with ET Lineman /Hi-Rail/Catenary Car Operators. Upon completion of certified manufacturer training to operate said equipment, use of Rule 90E will be used, as modified by this Agreement. Staffing levels will be determined by Amtrak.

   A. Starting times will be governed by Rule 42a, b and c. All employees will receive $1.00 production gang differential for all hours worked. Rest days will be governed by Rule 32, with additional differential in accordance with the rule. Written shift change notice will be given 14 days in advance without abolishing and re-advertising.

   B. Headquarters will be located between New Brunswick, NJ, and Morrisville, PA. Headquarters will comply with Rule 84 of the existing BMWED Agreement. In addition, Transportation will be provided by Amtrak, in lieu of lodging, to and from the headquarters location to Trenton Station or New Brunswick Station, whichever is closer to the employee headquarters.

   C. Amtrak will substitute the current per diem allowance in effect in the Amtrak/BMWED Agreement in lieu of meals for each day that covered employees perform compensated services.

   D. Amtrak will bulletin twice as many positions as necessary to completely staff the new wire train. Manufacturer representatives
will train all of the successful applicants for these positions on the operation of the new wire train and installation of the constant tension system. Training is not to exceed 30 days.

E. After the training is completed, the employees holding the training positions shall be allowed the opportunity to fill the permanent wire train positions in seniority order. Employees who elect to fill the permanent wire train positions shall not be permitted to bid off their positions for a period of one year from the date of the initial award of the training position. In the event that an insufficient number of employees choose to fill the permanent wire train positions, junior employees from the training class will be assigned to the permanent wire train positions in reverse seniority order. Employees who are trained but not ultimately assigned to a permanent position on the wire train in accordance with this paragraph will have their training positions abolished and they will be permitted to make a displacement under the rules.

F. Employees in these positions may be displaced by senior employees in accordance with the Agreement, but may not bid off these positions voluntarily. Employees who displace onto these positions will be trained and not permitted to bid off these positions for one year. If an employee is displaced the Carrier may, at the Carrier’s discretion, hold the displaced employee until the replacement employee is fully trained, but not to exceed thirty-days.

G. Amtrak is to determine the consist of staffing for the PWT without the requirements of Rule 90E. Trainees will be switched out on a three-month rotation.

H. In addition to any other differentials to which these employees may be entitled, employees filling positions on the PWT and trainees will be paid a differential of $1.00 per hour.

4. Cat Pole Work. Amtrak recognizes that the work of installing cat poles is work that belongs to the lineman classifications under the scope of our Agreement. The following is agreed to by using Rule 90D as modified by this Agreement:

A. Amtrak shall establish Cat Pole capital construction gangs staffed from the B&B Department to install catenary poles, portal beams, cantilevers and drop brackets under this agreement. The Cat Pole gangs established under this provision shall only be used for the installation of cat poles and appertances on the "Race Track Project". The work to be performed by these Cat Pole gangs shall include:
1. New foundations construction.
2. Erection of new cat poles.
4. Installing portal beams, cantilevers, and drop brackets.

B. Contractors may be used to assist the Amtrak Cat Pole Crews in the performance of the following work:

1. Drill Rigs Crews – bore holes for the installation of cassetions.
2. Crane Operators and Rigger Crews- hoist catenary poles, cantilevers and portal beam into place for installation by Amtrak Cat Pole Crews
3. Concrete Truck Operators – deliver and pour concrete.

C. Amtrak will pay a cat pole differential of $0.75 per hour for all hours worked to all line side electric traction employees in the New York Division when the first 90D gang is established for pole installation.

D. Starting times will be governed by Rule 42a, b and c. Rest days will be governed by Rule 32, with additional differential in accordance with the rule. Written shift change notice will be given 14 days advance without abolishing and re- advertising.

5. Piloting Work. The parties will draft a side letter formulating terms of a piloting Agreement for the "Racetrack Project" for the purposes of piloting contractor and Amtrak equipment assigned to the aforementioned work described. The Pilot Agreement of November 2, 2001 will serve as a template. The number of pilots will be determined by the Carrier.


Should this project be affected by funding in any manner, Amtrak reserves the right to void this Agreement with 30-day notice to the parties. If the above properly reflects our understanding, please concur by signing below.

Mark L. Johnson, Director, Labor Relations

Jed Dodd, General Chairman, BMWED

APRIL 25, 2013

Date

APRIL 29, 2013

Date