

APPENDIX “V” – Productivity Council

AMTRAK/LABOR PRODUCTIVITY COUNCIL

The BLE and Amtrak will immediately establish a joint labor/management productivity council. The Council’s purpose is to achieve real, measurable cost savings through a joint process yielding benchmarks for productivity increases and strategies to achieve them.

The Council would be based on a structure of mutual representation and consensual decision-making. The BLE and management shall each designate representatives in writing, and may revoke such designations at any time. Representatives designated by the BLE shall be reimbursed in accordance with the schedule agreement. All costs of the Council shall be borne by Amtrak.

The Council will select a mutually agreed-upon third party – government, private sector business, non-profit or otherwise – to help develop benchmarks and to evaluate labor and management’s progress toward those measurable goals.

Bench-marking and goal setting are not new to the transportation industry – and especially not new to railroads. In fact, Amtrak already has the facility to collect and compare work performance.

This process would provide a forum for discussion to encourage labor participation in job scheduling and design, and other logistics. Similar work-teams are used in the auto industry and other businesses to cost-engineer work processes.

The Council will work to identify possible steps for improvement in such areas as:

1. Effective use of new technology.
2. Current and proposed modes of work organization and methods.
3. Training.
4. Issues of workplace quality of life and fair treatment.

Possible specific cost reduction or revenue improvement targets/goals include, for example:

1. Reducing costs related to injuries.
2. Efficient use of resources and reduction of wastage.
3. Increasing productivity.
4. Increasing revenue through on-time performance.

Distribution of Benefits of Savings. As productivity enhancement targets are established in all areas, periodic reviews of benchmarked activities shall evaluate progress toward those goals and value of increased efficiencies and savings to Amtrak’s bottom line. Savings up to \$3.0 million annually would primarily benefit Amtrak’s bottom line. (Employees shall receive 20

percent of the benefits of the savings, while the company receives 80 percent.) However, if total annual savings exceed \$3.0 million per year, 50 percent of those savings shall be paid to employees as a bonus above normal wages and payments.