

METRO-NORTH AFL-CIO LABOR COALITION

February 9, 2005

Mr. Raymond Burney
Director-Labor Relations
MTA Metro-North Railroad
347 Madison Avenue
New York, NY 10017

Dear Sir:

The following represents the Labor Coalition's alternative counter-proposal to Metro-North, regarding the current round of negotiations for the term beginning January 1, 2003.

1) WAGES & RETIREMENT:

The value of the defined benefit plan for ACRE-represented employees in the ACRE-Metro North Agreement is worth 14.7% net above the wage and lump sum terms for those employees. The AFL-CIO coalition unions will forego coverage under the Metro-North Defined Benefit Retirement Program, and instead Metro-North will enhance the wage and lump sum proposal now being offered by 14.7%, subject to the following provision: the Coalition unions and Metro-North will negotiate a percentage of the 14.7% to be credited toward increased company contributions toward employees' Vanguard accounts. The portion of the 14.7% not so credited toward the Vanguard accounts will be paid on January 1, 2003.

2) THERE WILL BE NO EMPLOYEE CONTRIBUTIONS TO HEALTH AND WELFARE FOR CURRENT AND FUTURE EMPLOYEES.

3) ADD MARTIN LUTHER KING'S BIRTHDAY TO THE LIST OF PAID HOLIDAYS FOR METRO-NORTH EMPLOYEES.

4) ESTABLISH A JOINT UNION-MANAGEMENT STUDY COMMITTEE TO EXPLORE THE COST OF ESTABLISHING A TRUST FUND TO PAY FOR LIFE TIME MEDICAL INSURANCE TO SUPPLEMENT MEDICARE COVERAGE.

5) EQUALIZE THE BENEFIT SUBSIDY TO ACRE REPRESENTATIVES BY PROVIDING ALL INDIVIDUALS WHO ARE ON A LEAVE OF ABSENCE FROM METRO-NORTH WHO ARE EMPLOYED AS FULL TIME UNION REPRESENTIVES OF LABOR ORGANIZATIONS WHO REPRESENT EMPLOYEES OF METRO-NORTH WITH FULL AND COMPLETE BENEFITS

**AS ARE CURRENTLY PROVIDED TO ACRE REPRESENTATIVES,
INCLUDING RAILROAD RETIREMENT EMPLOYER TAX PAYMENTS, AND
HEALTH AND WELFARE PAYMENTS.**

6) MORATORIUM:

The Agreement will become effective January 1, 2003 and shall remain in effect through December 31, 2006 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

On behalf of the following Organizations:

**American Railway Supervisors Association, Lodge 5041
International Association of Machinists & Aerospace Workers – District 19
Service Employees Union National Conference of Fireman & Oilers
International Brotherhood of Electrical Workers, System Council No. 7
International Brotherhood of Electrical Workers, Local Union 1573
Transportation Communications Union, System Board No. 86
Transport Workers Union, Local Unions 2001 & 2055
International Brotherhood of Teamsters, Local Union 808
Sheet Metal Workers International Association**