

TESTIMONY OF
JED DODD, GENERAL CHAIRMAN PENNSYLVANIA FEDERATION
ON BEHALF OF
THE BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES DIVISION
INTERNATIONAL BROTHERHOOD OF TEAMSTERS

The Brotherhood of Maintenance of Way Employees Division – International Brotherhood of Teamsters (BMWED) thanks the Committee for being given the opportunity to present its views on the proposed reauthorization of Amtrak as proposed in H.R. 6003, the “Passenger Rail Investment and Improvement Act of 2008”, with particular emphasis on the authorized appropriations for the operating and capital needs of Amtrak. The BMWED is the labor union that represents the men and women who build and maintain the railroad track, bridges, buildings and overhead electrical catenary system for Amtrak. Our members are highly skilled and include, heavy equipment operators, welders, carpenters, plumbers, foremen, linemen, electricians, repairmen and a host of other crafts. We work night and day, seven days a week, performing tough, dangerous work in all weather conditions. We build and maintain a complex infrastructure so that Amtrak can ensure that their passengers can arrive safely and on time to their destinations.

My name is Jed Dodd and I was hired into the Maintenance of Way Department of Amtrak on the Northeast Corridor as a trackman in early 1977. In September 1983 I was elected to the position of General Chairman of the Pennsylvania Federation. My office is elected by the membership and I have been reelected every four years since 1983. One of my duties as General Chairman of the Pennsylvania Federation is to chair the BMWED bargaining committee on Amtrak and I have done this for the last 25 years.

The BMWED supports the core mission of Amtrak – providing safe, reliable and environmentally friendly intercity passenger transportation. Amtrak began in perilous times, when it was created from equipment cast off from the freight railroads and directed to take over ownership and operation of the Northeast Corridor from the bankrupt Penn Central. At the time of Amtrak’s start up, service was poor, equipment was old and badly maintained and the infrastructure on the Northeast Corridor was in need of major rehabilitation. Many commentators believed intercity rail passenger service was a museum piece – like the steam locomotive. Despite this inauspicious beginning, the men and women who worked for Amtrak held the system together to the point that today ridership and revenue levels for Amtrak are the highest in its history. The rate of return for the investment in Amtrak by the American taxpayer has been huge. There is an enormous environmental benefit to intercity rail service as Amtrak's service significantly reduces congestion on the highways and in the airports along the Northeast Corridor. Our reliance on foreign oil is less because of passenger rail service. In addition, Amtrak workers are among the most productive passenger rail workers in the world. Amtrak covers 78% of its operating needs at the fare box as opposed to a national average of 47% for commuter railroads and a national average of 58% for heavy rail transit systems. This success story was achieved in the face of, at times, hostility from the Executive and Legislative Branches, and what seemed like a revolving door of top Amtrak management who, with minor

exception, have fostered a labor relations climate on Amtrak that treats its dedicated workforce like an unwanted annoyance. Despite the sometimes annual changes in Amtrak management, the workers at Amtrak are the constant that has served America by going to work everyday and producing one of the finest intercity passenger railroads anywhere in the world.

In the early years, worker safety on Amtrak suffered as well. Many good men and women sacrificed their lives working for Amtrak to keep intercity rail passenger service available to the people of this country. In Union Station, in Washington DC, there is a plaque that lists the names of 72 men and women who have been killed at work while on duty. Our Union represents about ten percent of all of Amtrak's workers. However, more than one third of the names on that list were members of our Union whose lives had been cut short because they were hit by a train, electrocuted on the high voltage wire, or crushed to death by the machinery. Next time you are hurrying to catch your train at Union Station please take a moment at this plaque and reflect a little on the sacrifices that have been made in sweat and blood to ensure that Amtrak is successful. Railroading is hard and dangerous work and no one ever should underestimate, or denigrate, the courage, dedication and effort Amtrak workers expend to ensure this country's rail passengers get to their destination safely and on time.

The last express multi-year Congressional authorization for Amtrak appropriations expired after Fiscal Year 2002. Beginning with Fiscal Year 2003, Amtrak's continued existence has depended on Congress reauthorizing Amtrak de facto through annual operating and capital grants. Moreover, Congressional support for Amtrak was made in the face of unrelenting hostility by the White House toward any continuing federal support for Amtrak. Despite these obstacles, Amtrak's ridership and revenues increased and the new, high-speed Acela service was introduced in the Northeast Corridor. It has been difficult for Amtrak to survive in this environment. The year to year appropriation process also always involved the question of Amtrak's continued existence. This has had an adverse impact on employee morale. There is nothing more discouraging for Amtrak workers than to hear their employer, and by implication, their hard work, denigrated as "inefficient" or "unessential."

Therefore, the BMWED is delighted that H.R. 6003 contains a multi-year reauthorization of appropriations for Amtrak. Amtrak's infrastructure on the Northeast Corridor includes tunnels from the 19th Century and a number of major, movable bridges that date from the early 20th century. The renovation of these parts of the infrastructure requires a dedicated, multi-year source of authorized appropriations in the manner proposed by this Committee. We are happy to see this Committee step forward with a strong commitment to the long-term success of Amtrak and thank Ms. Brown and Mr. Oberstar for their tireless work and support for Amtrak.

The proposed reauthorization appropriation levels involve, from Fiscal Year 2009 through Fiscal Year 2013, over \$3 billion in operating grants and over \$6.6 billion in capital grants. A substantial percentage of the capital grant monies, amounting to \$2.4 billion over this period, is made available to the States to further the development of new and improved intercity rail passenger service. Standing alone, these sums are laudable and BMWED fully supports them. However, the proposed reauthorization also includes over \$1.7 billion in the same period to assist Amtrak in repaying long term loans and leases incurred to make up funding shortfalls to keep the system in operation. Finally, the proposal authorizes a one time appropriation of over \$800 million to rehabilitate the Baltimore tunnels which first entered service shortly after the Civil

War. The BMWED understands that Amtrak supports these figures and represents that they are sufficient for it to maintain safe and reliable service and bring the Amtrak-owned infrastructure, particularly on the Northeast Corridor, into a state of good repair. If these levels of authorized appropriations meet Amtrak's projected operating and capital needs, then BMWED fully supports them.

Nevertheless, we are compelled to mention a note of caution. BMWED's support for a single, national rail intercity passenger carrier in the form of Amtrak should not be considered unquestioning support for Amtrak management, and especially Amtrak's Labor Relations Department. The BMWED recently concluded a new collective bargaining agreement with Amtrak that covers the period January 1, 2000 through December 31, 2009. The length of that agreement is unprecedented because the length of time taken to bargain it to conclusion also was unprecedented. Throughout that interminable and incredibly frustrating bargaining process, Amtrak, through its Vice President of Labor Relations, blamed its bad faith bargaining on an alleged failure of Congress to appropriate sufficient operating funds for it to make a fair deal with us. Amtrak also hid behind this claim to oppose any retroactive pay for its employees once an agreement was reached.

Amtrak's bargaining evasion and obfuscation were first rebutted by the Senate's Appropriations Committee in its Report 110-131, dated July 16, 2007 wherein the Committee stated:

Amtrak's failure to reach a labor settlement is not a result of inadequate Federal funding. To the contrary, salary and benefit costs are derived from Amtrak's operating budget which is financed mostly by self-generated revenues. For each of the last several years, the Committee has provided Amtrak with operating support at or near the levels sought by Amtrak's Board of Directors. Any differences between the larger overall funding requests submitted by Amtrak's Board and actual Federal appropriations have come in the area of the railroad's capital budget.

The Report of Presidential Emergency Board No. 242 noted with approval the Senate Committee's observations. The Board provided its explanation for the cause of the inordinate delay in reaching an agreement on rates of pay, rules and working conditions for Amtrak workers (Report at 36-37).

Additionally, there was no credible evidence that the Organizations were principally responsible for the inordinately prolonged nature of these negotiations. The Board recognizes that, as early as 2002, Amtrak announced as one of its 'principles' that it would not agree to retroactive pay as part of any agreement. That unilateral statement, however, does not mean that a recommendation that rewards the Carrier and punishes employees for the failure to have earlier reached a settlement is fair or equitable or appropriate in this case. While this is not a 'refusal to bargain' proceeding, and the procedures applicable to presentation of evidence to PEBs are not fully analogous to adversarial proceedings attempt to gauge whether a particular pattern of behavior constituted good faith bargaining, the evidence paints a fairly clear picture that places much greater responsibility on Amtrak for the failure to ink a deal over the prolonged period since December 31, 1999, than on the Organizations.

BMWED's support for the operating and capital monies which Amtrak claims is sufficient for its needs during the Fiscal Years 2009 through 2013 is conditioned on a commitment that Amtrak will come to the bargaining table on January 1, 2010 and begin to bargain a fair and equitable extension to our collective agreement promptly and in good faith. They must abandon their style of labor relations which seeks to starve the employees into submission. The dedicated employees of Amtrak must never again be subject to the type of labor relations policies that permit eight years to go by without a reasonable raise. Amtrak Labor Relations must not be permitted to interpose a complaint that Congressionally authorized appropriations are insufficient for them to bargain a fair and equitable agreement. We respectfully ask this Committee to require such an assurance from Amtrak management and specifically its Vice President of Labor Relations. The public interest was ill-served by the last eight year long bargaining round. We fully expect that Amtrak will heed the admonitions of PEB 242 and meet us in good faith to bargain a fair and equitable agreement so that both Amtrak management and labor can get on with the important job of providing this country with safe, and reliable intercity rail passenger service.

Finally, we must comment on a portion of H.R. 6003 that troubles the BMWED very much. While much of the Bill demonstrates continued support for Amtrak and strong support for the development of new intercity rail passenger service that complements Amtrak's operations; Title V of the Bill contains a provision that could well be a "Trojan Horse" for the demise of Amtrak.

Section 502 of the proposed legislation makes almost the first order of business a command that the Secretary of Transportation issue an RFP for the "financing, design, construction and operation of an initial high-speed rail system" between Washington and New York. That relatively innocuous phrase is, in BMWED's opinion, an opening to "privatize" Amtrak's operations on the Northeast Corridor. As I said earlier, Congress has invested substantial sums in rehabilitating the Northeast Corridor and this proposed legislation will ensure that Amtrak puts the Corridor in a state of good repair. However, all of that investment and the hard work performed by Amtrak employees will be lost if the Corridor is handed over to a private operator to cherry pick the assets as part of a plan to provide 2 hour service between Washington and New York.

The BMWED understands that Section 502 does not direct the high speed rail service to operate on Amtrak's Northeast Corridor, but as a practical matter, there is no other place that it can run. The Northeast Corridor is densely populated and the acquisition of a second, dedicated high speed right of way between Washington and New York crossing several major rivers and traversing the urban areas of Washington, Baltimore, Wilmington, Philadelphia, Newark and New York City is a fiscal impossibility. What that means to us is that any entity proposing to operate such high speed service will, by necessity, be making a proposal to acquire and operate the entire Northeast Corridor operation between Washington and New York. We say that because we cannot imagine any practical way to "separate" the 2 hour service from the other intercity, commuter and freight operations on the Corridor.

Our concern is that such a privatization would essentially kill Amtrak and permit a private operator on the Corridor to reap for private gain all of the public expenditures made there in the past. Amtrak would be left with operations on the Corridor north of New York and its other intercity rail service. As Amtrak was diminished, others would then swarm in to cherry pick off

those operations and services that were desirable. Simply put, a privatization of part of the Northeast Corridor would begin the end of a unified, coherent intercity rail passenger transportation system. Amtrak has been in the political wilderness since 2002 and, just as this Bill offers the opportunity for sound funding and authorization for Amtrak's operation, Section 502 could well undo all of those good things by inviting the privatization of the Northeast Corridor.

The BMWED thanks the Committee for the opportunity to share its views on this subject.

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