

TESTIMONY OF

**JAMES A. STEM, JR.
NATIONAL LEGISLATIVE DIRECTOR**

SMART – TRANSPORTATION DIVISION

**BEFORE THE U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON TRANSPORTATION AND
INFRASTRUCTURE**

**HEARING ON
“GETTING BACK ON TRACK:
A REVIEW OF AMTRAK’S STRUCTURAL
REORGANIZATION”**

NOVEMBER 28, 2012



**SMART - Transportation Division
National Legislative Office
304 Pennsylvania Avenue, SE
Washington, DC 20003**

Chairman Mica, Ranking Member Rahall, Members of the Transportation and Infrastructure Committee, my name is James Stem and I am the National Legislative Director of the Transportation Division of the Sheet Metal, Air, Rail, Transportation Union (SMART) The SMART Transportation Division, formally the United Transportation Union, is an organization representing approximately 80,000 transportation employees with active rail members working in all operating crafts (engineers, conductors, trainmen, switchmen). My message today is on behalf of the more than 3,300 career Amtrak employees that are represented by UTU.

Thank you for the opportunity to testify and comment on Amtrak's reorganization plan.

At the outset, our expertise is not in business organization or the oversight of workers as our members are on the receiving end of all this. We have had no complaints from the field about Amtrak's reorganization plan and support this effort to modernize Amtrak's operations.

We commend Amtrak for applying modern technology in managing Amtrak resources and personnel. Now that Amtrak is not operating from day to day in survival mode, with constant threats to its very existence, we are confident this well-planned reorganization will focus Amtrak's assets and workers in areas where the best improvements in service will happen.

Our Amtrak members are part of the transportation team who operates trains moving passengers to their destination safely and on time. This activity requires coordination with every aspect of the operation from mechanical inspections and repairs, to maintenance and repairs to tracks and signals, to the positioning and cleaning of the equipment, and dispatching of intercity and commuter trains to multiple destinations in many different directions.

Making changes in one area of operations also requires changes in other areas to ensure continuity of operations. Eliminating and consolidating layers of management responsibility in this reorganization plan is a productive move. We are encouraged that Amtrak made reductions in management last year and their new reorganization plan proposes to reassign even more management positions.

Amtrak should earn the support of Congress for this upgrade in their organizational structure. Amtrak operates with safety and customer service woven together as top priorities. Our operating crews fully understand that safety comes first and on-time

performance is our goal. This upgrade of operations furthers these priorities and positions Amtrak to meet the demand for increased rail passenger services.

Amtrak operating crews are among the most productive workers in the system. Every Amtrak employee should also be placed in a productive position that supports the needs of customer service and managed growth of operations. Our members are ready and eager to work. Assign us a train and provide instructions on where to go, and our members will show up for duty and get Amtrak passengers to their destination safely and on time.

Congress asked Amtrak to share a plan on how to improve services and reduce the travel times between major population centers. The Next Generation Plan provides a road map for improvement and identifies the funding requirements.

Amtrak's ridership set a record last year, and with an aging population, higher gasoline prices and highway and aviation congestion millions of more travelers will choose the train if the service is available and dependable:

Amtrak workers are prepared and well trained to provide services to our customers, but for us to succeed Congress must provide Amtrak with consistent and predictable multiyear funding for modernization and capacity upgrades.

Beyond reorganization, what Amtrak really needs is dramatic increases in capital investments. Amtrak's Next Generation Plan for the Northeast Corridor is outstanding. It will cut the transit time in half between Washington, D.C.'s Union Station and New York's Penn Station, as well as between New York and Boston.

Capital spending to increase speeds and upgrade Amtrak's infrastructure is the ticket to transporting American's in a cost effective and energy efficient manner.

We in labor are Amtrak's partners. We urge this Committee to allow Amtrak the latitude to reorganize if they wish, but more importantly, to authorize substantial amounts of additional money for Amtrak's capital needs.

Amtrak also plays a central role in financing Railroad Retirement, which is a self-funding pension, unemployment and disability benefit system that covers almost one million active and retired railroad workers. Changes in the federal treatment

of Amtrak, such as significant funding cuts or passenger rail privatization, could jeopardize the solvency of the system. We hope that any policy proposals generated by Congress will continue to preserve the sound financial health of Railroad Retirement.

Americans want a national intercity rail passenger network and Amtrak is uniquely able to fill that need. Highways and commercial aviation will not alone meet the nation's future passenger transportation needs and demands. The coordination of air and rail passenger services should be mandated to free more air slots and provide timely rail services for shorter travel distances.

A modern, efficient, intercity rail passenger system is a necessary part of a balanced transportation system. Congress should recognize that intercity rail passenger service requires public subsidies, just as our airline and bus partners do. Many airline executives are on record supporting the coordination of air and rail services to increase the capacity of our existing airports.

Congress is spending \$40 billion annually on highways, which is more than has been spent on Amtrak in its entire 41-year history. While some say we can't afford vital public investment in Amtrak now, the fact is that our nation cannot afford NOT to make these investments.

I also want to make sure that this committee is aware of our full support for the expansion of our freight rail capacity as well. Amtrak and our freight railroads work together as partners and both have capacity needs that can be mutual goals. We support the expansion of Amtrak services and understand that this expansion also must address the capacity needs of our freight rail partners.

Thank you for the opportunity to testify and I'd be happy to answer any questions the Committee may have.

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
Truth in Testimony Disclosure

Pursuant to clause 2(g)(5) of House Rule XI, in the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include: (1) a curriculum vitae; and (2) a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by an entity represented by the witness. Such statements, with appropriate redaction to protect the privacy of the witness, shall be made publicly available in electronic form not later than one day after the witness appears.

(1) Name:

James A. Stem, Jr.

(2) Other than yourself, name of entity you are representing:

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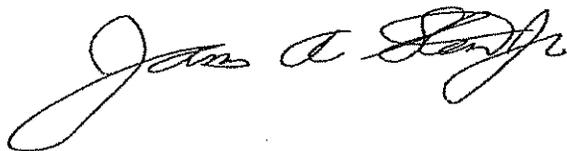
(3) Are you testifying on behalf of an entity other than a Government (federal, state, local) entity?

YES If yes, please provide the information requested below and
attach your curriculum vitae.

NO

(4) Please list the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by you or by the entity you are representing:

n/a



11/19/12

Signature

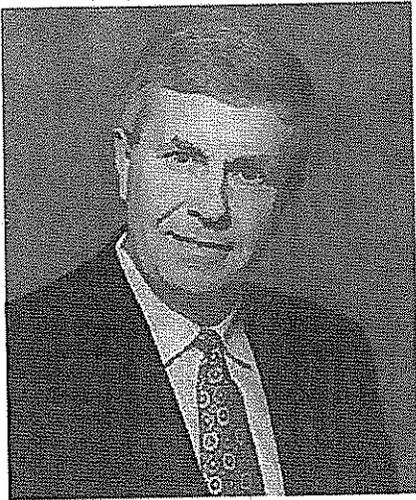
Date

James A. Stem Jr.

National Legislative Director

James A. Stem Jr., national legislative director of the 125,000-member Transportation Division of the Sheet Metal, Air, Rail, Transportation Union (SMART), was born, in Raleigh, N.C. the son of a school teacher and a railroad conductor.

Stem began his railroad career as a trainman for the Seaboard Air Line Railroad in Raleigh and has worked as a trainman, switchman, conductor, hostler helper, hostler, fireman and locomotive engineer and currently holds seniority as a locomotive engineer on CSX between Richmond, Va., and Florence, SC.



Stem has been working to find ways to improve rail operational safety, remove fatigue as a safety issue, and to improve freight and passenger rail services and public transportation options all of his career. He is an active member of the Federal Railroad Administration Rail Safety Advisory Committee.

Stem is active in the Baptist Church, the Masonic Lodge and civic mission groups. He and his wife Bonnie were blessed with three children, have four wonderful grandchildren and reside in Alexandria, Va.