



STOP AMTRAK'S OUTSOURCING PLAN

The future of Amtrak has reached an important crossroad. Amtrak's unqualified Board is pushing the Administration's "reforms" to dismantle Amtrak through risky privatization and outsourcing proposals. Congress is debating the company's next annual appropriation while a long-term funding bill gains momentum in the Senate led by Senators Trent Lott (R-MS) and Frank Lautenberg (D-NJ). And a new CEO, Alexander Kummant, has taken over the reigns of Amtrak with a real chance to change the direction of this company, embrace his 20,000 employees as partners, and work with Congress and the states to make Amtrak a first-class national passenger railroad.

Instead of working to secure Amtrak's long-term financing needs, the company's Board is continuing its destructive and misguided effort to break-up Amtrak and outsource as many jobs as possible with little regard for the service, safety and security implications of its proposals. Transportation labor calls on the new CEO to end this ideological-driven plan and to recognize the critical role that Amtrak employees must play in order for Amtrak to succeed.

Amtrak workers are already the lowest paid in the industry and many have gone more than seven years without updated contracts and general wage increases. These are the same employees who year after year call on their elected officials at the state and federal level to support Amtrak and keep the carrier operational. Using outsourcing schemes to lower wages and slash benefits at a carrier supported by taxpayers is simply outrageous and should not be tolerated by Congress.

It appears that no workforce at the railroad is immune from this attack. Amtrak is looking to outsource reservation work currently performed in Pennsylvania and California despite the fact that Amtrak has already reduced call center costs by 37 percent over the last five years. Amtrak's Request for Proposals (RFP) specifically contemplated off-shoring these jobs. Fortunately, Senators Patty Murray (D-WA) and Robert C. Byrd (D-WV) were successful in including an amendment to the pending Senate transportation appropriations bill that would prevent Amtrak from using federal money to outsource work overseas. We support this amendment and will fight for its inclusion in the final bill sent to the President.

Amtrak has also focused on eliminating on board food service workers and outsourcing those jobs to entities that have no knowledge of or experience in the rail sector. The reality is that food service has too often been mishandled by Amtrak management but it makes little sense to lay the blame on front-line workers. Instead, Amtrak's management must include its workers and unions in determining how to provide food and other services to passengers in a manner that is cost-effective, efficient and reliable. More importantly, it must be recognized that on board service workers play important safety and security roles that third party contractors are simply not in a position to offer. On board employees are in a specialized and highly trained workforce and work for days at a time away from home. They have specific training in emergency preparedness and evacuation as well as food and passenger safety. It is a fallacy that on board service workers could be seamlessly replaced by general food service workers from a restaurant.

Finally, it should be pointed out that Amtrak has tried contracting out food and beverage service in the past. Those efforts failed on all fronts: Amtrak workers lost their jobs, contractors canceled, food service did not improve, passengers complained and Amtrak did nothing to help its bottom line.

For maintenance workers, the demand for outsourcing is familiar and growing. Despite Amtrak's alleged commitment to a well-trained workforce, the company's insistence on outsourcing maintenance and overhaul work puts safety at risk. This agenda threatens the livelihood of thousands of mechanical shop workers who perform highly specialized jobs requiring specific skill sets. These dedicated workers are constantly studying and adapting to new and changing equipment in their specialty. It is unreasonable to believe that a "jack of all trades" workforce, as Amtrak continues to demand, or low-wage contract companies will have adequate skills to perform overhaul or general maintenance on the sophisticated and unique equipment used by Amtrak. The new CEO should scrap these proposals and treat Amtrak's shop craft unions as partners in assuring Amtrak has a first-class, highly skilled mechanical workforce that can meet the demands of a modern 21st Century passenger railroad.

Another victim of the Amtrak Board's reckless contracting out agenda is the retirement system of more than a 1 million active and retired rail employees. Amtrak and its employees pay into the railroad retirement system which provides retirement security for all railroad workers and their families. Amtrak's contracting out schemes jeopardize the long-term financial stability of the railroad retirement system. Since passage of the landmark Railroad Retirement and Survivors Improvement Act in 2001, the financial security of the railroad retirement system has been fortified and, in fact, it is expected that the employer and employee tax rate will actually go down next January for the second time. Unfortunately, this favorable trust fund situation will erode should outsourcing in the passenger rail industry become the norm. For every railroad position lost, the impact on the railroad retirement trust fund is \$160,000. The actuaries at the Railroad Retirement Board predict a multi-billion dollar trust fund shortfall in 20 years or less if passenger rail workers are eliminated from the system.

All over America, hard working men and women are losing jobs to outsourcing. This fact has hit home for the dwindling workforce that labors day in and day out to keep Amtrak in business. Rail passengers, communities and workers will all suffer if Amtrak is allowed to continue shipping out work to the lowest bidder. Congress should stop Amtrak's Board from trading the safety, reliability and efficiency of our national passenger rail system for the unproven and hollow promise of lower cost.

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