



FAIRNESS FOR AMTRAK WORKERS

After eight years of stonewalling by Amtrak management, nine unions were able to reach tentative collective bargaining agreements with the company on January 18, 2008. With the remaining unions at Amtrak reaching similar agreements with the company, Congress must now ensure that the passenger carrier has sufficient funding to meet its contractual obligations to its employees and to operate an efficient and safe railroad. Unfortunately, the Bush Administration's FY 2009 budget request for Amtrak not only ignores the existence of these new agreements, but once again offers a funding level that would bankrupt the passenger rail carrier.

It is significant that the tentative labor agreements follow the specific recommendations offered by the Presidential Emergency Board (PEB) 242, created by the President last November to investigate an eight year labor-management dispute. The five members of PEB 242 were all appointed by the President without any input from Congress; two members are former Republican chairmen of the National Mediation Board. After hearing extensive testimony from both sides, the PEB largely embraced the positions advocated by the rail unions. Specifically, the PEB recommended reasonable wage increases to bring Amtrak workers in line with freight employees, rejected the draconian work-rule changes sought by Amtrak and awarded back-pay to compensate workers for going up to eight years without a general wage increase. The PEB did recommend certain concessions from workers including health care payments and limiting back-pay to current employees.

Pursuant to the tentative agreements and following the PEB report, 40 percent of the retroactive pay will be due in 2008, within 60 days after ratification. The remaining 60 percent will be due in 2009, on or before the one year anniversary of the first payment. Amtrak has already stated that it has sufficient resources to distribute the first back-pay installment without additional appropriations.

The 2009 payment, however, will need additional, specific funding from Congress. Amtrak has recently calculated that the second back-pay installment will cost \$114 million. Under a "contingency" provision included in the labor-management agreement, if Amtrak is unable to make this retroactive payment, employees will have their right to strike restored in the spring of 2009.

Members of Congress encouraged the parties to accept this contingency approach and to otherwise agree to a contract based on the PEB recommendations. Now that Amtrak and its unions have followed these suggestions and reached a negotiated settlement, Congress must in turn provide Amtrak sufficient resources to pay for the contract and otherwise support the operations of the carrier. On this point, we are particularly outraged that the Bush Budget for FY 2009 provided no money to pay for the updated labor contracts that were based on the terms and conditions recommended by its own PEB. Once again, Congress will be called on to ensure Amtrak's survival.

It is unconscionable that for eight years, Amtrak workers were forced to endure through difficult economic times without general wage increases. Even an independent board, appointed by President Bush, saw this unfair delay in settling new labor contracts for what it was – an interest-free loan to the company. Congress must now finish the job by appropriating for Amtrak the funds it needs to run a first-class national passenger railroad and to fairly compensate its employees as reflected in new collective bargaining agreements.

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