



ADMINISTRATION BUDGET SQUANDERS OPPORTUNITY TO CREATE JOBS

America's workers are suffering through what ivory tower economists like to call a "jobless recovery." Those who would tell out of work transportation and manufacturing workers that the economy is recovering fail to recognize that the 3 million workers who have been laid-off since 2001 are still looking for good jobs with no relief in sight. At the same time, our government is failing to advance aggressive federal policies and investments designed to create good jobs that support families and communities. And even worse, the President's FY 2005 Budget squanders a clear opportunity to support millions of transportation jobs in the United States.

The Bush Administration has stressed the need to protect the homeland and strengthen the economy – yet neglecting transportation programs is a direct contradiction to these goals. Cutting transportation programs is particularly irrational since every \$1 billion spent on transportation infrastructure creates 47,000 jobs. The \$320 billion in recent tax cuts for the wealthy, if used for much needed investments, alone could create 15 million jobs. In the FY 2005 appropriations process, TTD's affiliated unions will continue to fight for the highest levels of federal investment in all modes of transportation and will make the case to Congress that investments in infrastructure are investments in workers and the U.S. economy.

The President's \$2.4 trillion budget decreases total funds available for transportation, proposing a \$153 million cut in budget authority for the Department of Transportation (DOT) and a four percent cut in discretionary funding over FY 2004 enacted levels. Indeed, in a bipartisan report, the House Transportation and Infrastructure Committee criticized the overall budget as insufficient to meet the nation's transportation needs. More glaring, however, is the way in which the budget selectively and deliberately neglects portions of the transportation network, including passenger rail, air traffic control, highways, and transit. It is no secret that the Administration has pushed privatization schemes for Amtrak and air traffic control, and has singled out the TEA-21 reauthorization bill for a potential veto in a political stunt to "hold the line" on spending at the expense of American jobs. These targeted funding cuts, particularly given the President's broader policy goals, must be rejected by lawmakers.

The budget clearly demonstrates the Administration's continuing hostility toward Amtrak and its workers. The budget proposal calls for \$900 million for the railroad's operating expenses, despite the fact that Congress rejected this same funding level last year. In a blatant attempt to force reforms on our national passenger railroad, the White House states that it would support an additional \$500 million annually for Amtrak if its package of "reforms" were enacted. Transportation labor has made its views on these policy ideas very clear – slashing passenger rail service and jobs, passing the costs of service onto states, and requiring private sector competition will not solve Amtrak's financial problems nor do these actions put passenger rail on a sustainable course. Moreover, it makes little sense to hold 25 percent of funds desperately needed by Amtrak hostage to reforms that have received little support in Congress or in the states and would actually destroy Amtrak's national system, as we know it.

We will urge lawmakers to reject, as they did last year, the Administration's Amtrak funding and policy proposals. Moreover, we will urge Congress to put an end to a 30-year starvation of Amtrak – for which workers have paid the highest price. Amtrak workers have suffered for years without new contracts, are paid wages that are 20 percent below those in freight and commuter rail, and must deal with an ongoing climate of uncertainty about their employer's future. We are heartened by recent signs of bi-partisan support for Amtrak in Congress: the TEA-21 reauthorization bill passed by the Senate last month included a six-year, \$2 billion annual authorization for Amtrak, despite a clear message from the President that he would veto a bill with Amtrak provisions included. We will work to fully fund the needs of Amtrak and its workers and we will mobilize against the Administration's wildly unpopular reforms designed to dismantle the passenger rail carrier, strand millions of passengers, and make the states fend for themselves.

The Administration's budget also fails to strengthen the nation's highways and mass transit systems by strongly opposing a surface transportation reauthorization above its own proposed level of \$256 billion. While this funding level represents an increase of \$9 billion over the Administration's proposal last year, highway and transit funding levels remain frozen at FY 2004 levels. According to some estimates, this six-year cap would actually represent an 11 percent decrease in funding when inflation is taken into account. To add insult to injury, the Administration also condemns guaranteed general fund spending for transit programs in a reauthorization bill to the detriment of vital transit services, especially in mass transit-dependent states.

Congress recognizes that the President's proposed investment is inadequate: the Senate has passed a \$318 billion surface transportation reauthorization. And even the DOT's own analysis has shown that \$375 billion is needed to adequately maintain and enhance the national network of roads and transit systems. It is unbelievable that the White House will do nothing to support—and in fact may kill – the only proposal before Congress that will actually put Americans to work and rebuild America. Transportation labor will advocate in favor of the highest transit and highway funding levels possible and will work against proposals that would result in siphoning money from vital mass transit needs.

The Bush budget falls short on aviation policy as well. While the total budget for the FAA remains basically flat, the facilities and equipment account – used to support air traffic control modernization – is cut dramatically by nearly \$400 million, or 14 percent. These cuts are bizarre given the Administration's recent announcement of FAA plans to triple the air traffic capacity of the United States in the next two decades. In fact, the Administration announced the need to modernize our air traffic system just days before the released budget slashed aviation programs. Clearly both cuts and expansion cannot occur simultaneously, and we must interpret cuts to mean postponing and scaling back projects that would make air travel safer and more efficient.

These cuts are even more problematic since they occur at a time when increased funds are actually needed for air traffic control tower staffing. In fact, as air traffic controllers are scheduled to retire at rapid rates, it is estimated that 1,000 new controllers will need to be hired each year simply to maintain current operations. Moreover, inspector staffing levels at the FAA

are also insufficient, and funding for 100 new positions is needed immediately to ensure adequate oversight of the aviation industry. Despite the fact that these employees are responsible for ensuring aviation safety and quality standards, the budget ignores this critical shortfall. We question the motivation of these cuts, particularly after the FAA Administrator's displays of bad faith toward employees during the reauthorization bill last year and the recent attempt to ignore the agency's obligation to bargain over new contracts. Transportation labor is committed to restoring these misguided aviation budget cuts and will make the case for additional resources in support of FAA staffing needs.

In addition, defending the nation is a known priority for the White House, as evidenced by the 10 percent increase in the budget for the Department of Homeland Security. Yet even within this priority area, the needs of the men and women who are on the front lines in the event of a terrorist attack are inadequately addressed. This is especially problematic for transportation workers who will forever remember that the 9/11 attacks and the immediate horrors faced by first responders in the hours and days that followed occurred in their workplace. The budget proposes to cut millions of dollars from crucial programs for local fire fighters, police and other emergency responders. Specifically, funding for the popular FIRE Act that helps fire departments acquire equipment was cut by 50 percent, and several programs under the Act are slated for elimination. In addition, state and local programs would lose \$200 million to fund their local homeland security needs. Finally, the Administration also proposes to eliminate a program that just recently became law, to address serious staffing problems in fire departments across the country, by providing federal funds to help hire 75,000 firefighters over the next seven years. The workers on the nation's frontlines of homeland security deserve better and we will advocate on their behalf.

Overall, the Bush budget shortchanges major portions of our transportation system and misses a serious opportunity to rebuild the infrastructure of our nation, put people to work and invest in vital safety and homeland security measures. Transportation labor calls on Congress to reject these budget cuts and policy proposals, and instead to fully invest in the type of good jobs America's communities so desperately need.

Policy Statement No. W04-02

Adopted March 7, 2004