

# TTD NEWS RELEASE

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## Congress Should Reject Mica-Shuster Legislation to Break-Up and Privatize National Amtrak System

WASHINGTON, DC – *Edward Wytkind, President of the Transportation Trades Department, AFL-CIO (TTD), today testified before the Transportation and Infrastructure Committee of the House of Representatives about legislation proposed by Reps. John Mica and Bill Shuster that would privatize Amtrak. Here are some excerpts from Wytkind's statement before the committee:*

"The Mica-Shuster bill would decimate our national Amtrak system through a privatization plan that entrusts Wall Street and wealthy investors with a vital transportation artery.

"Our transportation system isn't just about the wealth it creates for transportation providers – it is about the wealth it creates for the users of our economy, the people and businesses that need transportation to be reliable, safe and efficient. And it is about the millions of good, skilled jobs it supports throughout the system.

"Mass transit systems don't make money – the employers that rely on those systems to transport their employees do. Airports and air traffic control aren't about profits – they are about the billions of dollars in wealth they create transporting people and cargo around the world. Highways and ports are not profit centers in and of themselves – they are profit centers for persons and businesses including exporters that rely on surface transportation and water infrastructure to keep our economy competitive and on the move.

"Let me offer our preliminary analysis of the Mica-Shuster privatization legislation. First, this is an Amtrak bankruptcy plan. Amtrak as we know it will disappear and along the way almost 20,000 jobs would be at risk. Removal of the Northeast Corridor from Amtrak assures the collapse of Amtrak as a national entity.

"Second, it gives the green light to Wall Street to cherry-pick those parts of the Amtrak network that can make a profit and let the rest of the system wither. That approach will not unleash the private sector's capability to provide passenger rail service to a nation starving for more train service – no, it will unleash Wall Street's ability to make money for Wall Street.

"Third, longstanding employee protections are eliminated in this legislation despite public claims that Amtrak workers would be held harmless and that 'current benefits and current wage levels' would be guaranteed. The bill would eliminate Railway Labor Act coverage thereby stripping employees of current bargaining rights and union representation. Amtrak employees would lose all wage rates, benefits and protections in their contracts. So contrary to public claims, nothing in this bill guarantees anything to employees.

**Transportation Trades Department, AFL-CIO**

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Edward Wytkind, President / Larry I. Willis, Secretary-Treasurer

“Mica-Shuster also eliminates coverage under Railroad Retirement – the railroad pension, unemployment and disability benefits system. As thousands would be siphoned from the system, the long-term solvency of Railroad Retirement would be jeopardized and enormous tax increases would be imposed on the current employers such as the private freight railroads.

“We don’t think 547,000 retirees, spouses and survivors should see their benefits threatened so that billionaires like Richard Branson can get richer by evading rail pension obligations.

“Assurances have also been made that the Mica-Shuster plan will give Amtrak employees the right to transfer to a job with the new private carriers. Not so. The legislation only requires new carriers to provide a hiring preference. It doesn’t afford employees any legal or contractual right to follow their work. The only thing the Mica-Shuster proposal guarantees is the chance for Amtrak employees to be considered for employment. Weak hiring preferences don’t help pay mortgage, child care or college tuition bills.

“We’ve heard a great deal about Virgin Trains in Great Britain as a model to emulate here in America. But the system became far more expensive after privatization with a recent study showing that the privatized UK system is 35 percent more expensive to operate than state-owned European railways.

“Between 1996 and 2009, revenues from the UK’s privatized system more than doubled but during the same period the public subsidy grew 500 percent. Virgin Trains is hardly an example of unleashing the power of the private sector – it’s an example of public spending enriching private investors.”

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*The Transportation Trades Department, AFL-CIO, represents 32 member unions in the aviation, rail, transit, trucking, highway, longshore, maritime and related industries. For more information, visit [www.ttd.org](http://www.ttd.org).*