



A bold voice for transportation workers

**WRITTEN STATEMENT OF
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**BEFORE THE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
HEARING ON**

**A REVIEW OF AMTRAK OPERATIONS PART 2: THE HIGH COST OF AMTRAK'S
MONOPOLY MENTALITY IN COMMUTER RAIL COMPETITIONS**

September 11, 2012

Chairman Mica, Ranking Member Rahall, and members of the Committee, thank you for the opportunity to testify today. It is an honor to speak on behalf of the thousands of workers at Amtrak as well as their colleagues at commuter and freight railroads throughout the country. The Transportation Trades Department, AFL-CIO (TTD) consists of 32 affiliated unions that represent workers across all modes of transportation.¹ We speak today, as always, to advance and advocate for an efficient and safe transportation network, the protection and promotion of good jobs, and robust federal investment necessary to make transportation the engine of economic growth.

With this in mind, I must question the purpose of today's hearing. The Committee has had countless hearings and discussions on Amtrak – even a trip to the local McDonald's was squeezed in before the August recess. These events have been mainly used to demonize Amtrak and its dedicated workforce and to promote controversial privatization proposals that have garnered little support. To quote the great Yogi Berra, today's hearing is like "déjà vu all over again." TTD and a number of our rail affiliates have been called to this Committee room time and time again to debate the so-called merits of privatizing Amtrak's Northeast Corridor, outsourcing food and beverage service to companies ill-equipped to take on such responsibilities, or to simply close down routes that don't make a profit. We have reminded members that no passenger operation in the world can operate without government subsidy and passenger rail service must be a part of our inter-connected multi-modal transportation system.

¹ Attached is a list of TTD affiliated unions.

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Unfortunately, Chairman Mica has recently announced “a holy jihad” against Amtrak – a carrier he has often referred to as a Soviet-style railroad. I don’t know if anyone is paying attention, but that Soviet-style railroad, with record ridership, reduced costs, and improving on-time performance, is the second-best turnaround story in town – coming in behind, of course, the resurgent Washington Nationals.

On-time performance throughout the Amtrak system is at 84 percent, the best in the carrier’s 41-year history. Ridership records have been broken in eight of the last nine years and fiscal year 2012 is on pace to break another one with the highest monthly rider totals in its history. Last year, ridership rose over 50 percent on lines outside the Northeast Corridor in Michigan, Wisconsin, and the Pacific Northwest. Ridership doubled on routes in California, Pennsylvania, and North Carolina. While demagoguery is alive and well on Capitol Hill, consumers are showing us that Amtrak provides an important service at an affordable price.

In Michigan, Amtrak trains are breaking 110 miles per hour because of recent investments. Within a few months, trains will start to travel 100 miles per hour between Chicago and St. Louis. Service in Virginia has also been expanded to Norfolk and Amtrak is about to take over 100 miles of track in upstate New York. Those who say Amtrak is not changing or improving are ignoring reality. Additionally, long-term debt and capital lease obligations are at their lowest point in 15 years and the trend appears likely to continue.

But when you are on a “jihad,” these facts can be a nuisance. In any event, I have to believe that with millions still looking for work and our transportation system in chronic disrepair, there is more pressing business for the Committee and this Congress to consider, such as finding a long-term funding solution to our aviation, surface, port, and maritime transportation needs.

Amtrak’s role as it relates to commuter rail is especially puzzling as a basis for levying political attacks on the passenger rail carrier. It is a fact that commuter rail authorities can and often do turn to entities other than Amtrak to provide these services. While we would like to see Amtrak grow its commuter portfolio, the reality is that a number of providers compete vigorously in this market.

Let’s be clear – fair, open, and balanced competition for commuter rail services is not behind the motive of Amtrak opponents. What they want is a regulatory and legal framework that disadvantages Amtrak when it dares to bid on commuter rail services. Failing that, they would like to see Amtrak simply exit from the commuter rail business altogether. It is pretty obvious that the goal of Amtrak opponents is to weaken and eventually shut down the railroad.

Too often, private carriers seeking to provide passenger rail service want exclusion from the basic rail and labor laws that cover Amtrak and its workforce. Collective bargaining rights come under attack, coverage under Railroad Retirement is challenged, and other rail laws are to be avoided at all cost. Is it no wonder that a private carrier can come in and under-bid Amtrak? There must be a common set of standards for all rail carriers operating on the interstate rail system.

The Association of Independent Passenger Rail Operators (AIPRO), the association advocating at today's hearing for greater private sector participation in the delivery of passenger rail service, is the same entity that fought efforts in the surface transportation reauthorization to hold all providers of passenger rail service to reasonable and common standards. Specifically, the Senate version of MAP-21 included a proposal creating a certification process and criteria for providers of passenger rail transportation implemented by the Surface Transportation Board (STB). Under that proposed provision, the STB would ensure that applicants demonstrate sufficient financial capacity and experience to operate passenger rail, maintain minimum liability insurance, and meet applicable safety and security requirements under the law. Transportation providers in other modes are routinely required to obtain some type of certification or operating authority from a central agency and there is no reason why this should not be extended to passenger rail providers. Despite claims to the contrary, Amtrak would be covered by this certification requirement and it currently meets the standards that were proposed in the Senate version of MAP-21.

The opponents of this proposal appear particularly concerned with the requirement that passenger carriers have at least \$200 million in liability coverage, which Amtrak is currently statutorily obligated to carry (See 49 U.S.C. 28103 (c)). Setting a unified insurance standard hardly grants special privileges to Amtrak. In actuality, opposition to this standard is an effort to retain a financial advantage since these requirements place an obligation on Amtrak that some other operators do not have to meet. Furthermore, requiring all passenger rail operators to maintain adequate insurance would ensure that injured parties are compensated and that the cost of compensating them is not shifted to Amtrak or taxpayers.

Objections were also raised to language that would require a private intercity passenger rail operator to contribute to the capital costs of providing service. Amtrak would have been exempt from this provision because it already bears responsibility for paying many capital costs. This change would not have placed an undue burden on private passenger rail operators. It would simply require them to pay their fair share. By investing in the necessary infrastructure, the government made passenger rail possible and relieved private railroads of that financial burden. Operators who object to contributing to capital costs are essentially seeking a government subsidy.

Opponents to the Senate language also asserted that it would force entities engaged in building and construction activities to be inadvertently covered by certification requirements. We agree that employers engaged primarily in the building and construction industry performing work as a contractor for a rail carrier should not be considered a rail carrier solely as a result of performance of that work. But this issue could be easily addressed and should not be used as an excuse to avoid applying a common sense set of standards to this growing industry.

As noted above, we are also concerned with efforts to exclude certain passenger rail services from coverage under the Railway Labor Act, the Railroad Retirement Act, the Railroad Unemployment Insurance Act, the Federal Employer's Liability Act, and other related statutes that apply to interstate freight and passenger rail carriers, including Amtrak. We are steadfastly opposed to unfair competition in which Amtrak operates under a statutory framework avoided by other bidders. In recent years several states acquired interstate rail lines from freight railroads in order to provide commuter and other passenger rail service. After acquiring the lines, these states used a variety of complex legal mechanisms to evade basic railroad laws that should cover rail workers. If this practice becomes widespread, it will divide the interstate system into a set of state fiefdoms that fail to adhere to safety and labor standards.

Transportation labor enthusiastically supports commuter rail expansion. We also support Amtrak's right to bid on and participate in this industry. I suspect the 30 million users of Amtrak would rather see this Committee focus on providing the carrier with long-term financial stability and making it the centerpiece of future high-speed rail expansion, not curbing its right to compete in the constantly evolving marketplace.

It is our sincere hope that we can work with this Committee to advance passenger rail policy that gives Amtrak and its employees a chance to grow and prosper in an era when Americans are looking to their elected leaders to fix the growing transportation problems and challenges they live with daily. We will not support proposals before this Committee designed to provide other corporate entities, many of them foreign, an upper hand over Amtrak by giving them the right to evade important rail statutes including Railroad Retirement.

Thank you for allowing transportation labor the opportunity to testify today.

TTD MEMBER UNIONS

The following labor organizations are members of and represented by the TTD:

Air Line Pilots Association (ALPA)
Amalgamated Transit Union (ATU)
American Federation of State, County and Municipal Employees (AFSCME)
American Federation of Teachers (AFT)
Association of Flight Attendants-CWA (AFA-CWA)
American Train Dispatchers Association (ATDA)
Brotherhood of Railroad Signalmen (BRS)
Communications Workers of America (CWA)
International Association of Fire Fighters (IAFF)
International Association of Machinists and Aerospace Workers (IAM)
International Brotherhood of Boilermakers, Blacksmiths, Forgers and Helpers (IBB)
International Brotherhood of Electrical Workers (IBEW)
International Federation of Professional and Technical Engineers (IFPTE)
International Longshoremen's Association (ILA)
International Longshore and Warehouse Union (ILWU)
International Organization of Masters, Mates & Pilots, ILA (MM&P)
International Union of Operating Engineers (IUOE)
Laborers' International Union of North America (LIUNA)
Marine Engineers' Beneficial Association (MEBA)
National Air Traffic Controllers Association (NATCA)
National Association of Letter Carriers (NALC)
National Conference of Firemen and Oilers, SEIU (NCFO, SEIU)
National Federation of Public and Private Employees (NFOPAPE)
Office and Professional Employees International Union (OPEIU)
Professional Aviation Safety Specialists (PASS)
Sailors' Union of the Pacific (SUP)
Sheet Metal Workers International Association (SMWIA)
Transportation · Communications International Union (TCU)
Transport Workers Union of America (TWU)
United Mine Workers of America (UMWA)
*United Steel, Paper and Forestry, Rubber, Manufacturing, Energy,
Allied Industrial and Service Workers International Union (USW)*
United Transportation Union (UTU)