



A bold voice for transportation workers

**WRITTEN STATEMENT OF
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**BEFORE THE SUBCOMMITTEE ON RAILROADS, PIPELINES,
AND HAZARDOUS MATERIALS**

**“FULL STEAM AHEAD FOR RAIL: WHY RAIL IS MORE RELEVANT THAN EVER
FOR ECONOMIC AND ENVIRONMENTAL PROGRESS”**

March 10, 2021

On behalf of the Transportation Trades Department, AFL-CIO (TTD) and our 33 affiliated unions, I want to first thank Chairman Payne and Ranking Member Crawford for inviting me to testify before you today. I also want to recognize that this is the Chairman’s first hearing since taking over the gavel—TTD and our rail unions are looking forward to your leadership on the Subcommittee and working together on an ambitious pro-rail and pro-worker agenda.

We concur in the strongest terms with the theme of this hearing. The positive economic and environmental impacts of our freight and passenger rail networks are vast, and we appreciate their recognition at this hearing. We would be remiss if we did not also highlight that recognition must also be extended to the dedicated workforce who have kept these systems running over the course of the COVID-19 pandemic. Rail employees have continued to brave the risks of infection or even death to continue to move people and goods across the nation. The present, and future, of this industry is dependent on hard-working railroaders of every craft and class. We strongly support recent efforts by the Department of Transportation and the Federal Railroad Administration to keep these employees safe, and hope that such efforts will remain a focus going forward.

Economic Impacts for Workers

The railroad sector is one of the most storied industries in American history. From the founding of the Baltimore and Ohio Railroad in 1827, to the laying of the First Transcontinental Railroad, to today’s “best-in-world” freight network, the rail industry has been, and continues to be, a core driver of the American economy and way of life.

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For decades, railroad employment has provided a path to the middle class for millions of Americans due to strong collective bargaining agreements that have allowed unionized employees to access some of the profit of their labor. To put this in perspective, in 2020 private sector unionization rates broadly dropped to 6.3% of workers.¹ However, nearly all employees of Class I railroads, Amtrak, and heavy rail commuters are union represented and representation is also high at other employers in the industry. This union density has led directly to the adoption of labor agreements that provide good wages and benefits. In contrast, earnings for most of the country have stagnated, as real average wages have not increased for most workers in 40 years, millions of Americans struggle to achieve a living wage, and healthcare costs remain prohibitive for many.

These goods jobs are not found only on the coasts or in major cities. In fact, there are railroad employees in every Congressional District in the United States—whether urban or rural, coastal or inland, Midwest or Deep South.² Further, these jobs are accessible. Most railroaders do not have a college education, but through rail employment they can become highly skilled and earn compensation that significantly outpaces average wages for high school graduates.³ Unions have also led the way in the development of partnerships for training and certifications for the skilled positions required for rail operations. Where these programs have been deployed in conjunction with labor representatives, these programs have proven to be extremely valuable. As the U.S. economy has changed over time, and sectors have risen and fallen, jobs on the railroad continue to be a path towards a financially secure livelihood and a dignified retirement through the Railroad Retirement system.

Workforce impacts also go beyond direct employment at the railroads. With the help of well-considered domestic procurement policies, the production of rail equipment like trainsets contributes to the revitalization of the U.S. manufacturing base. The construction of Amtrak’s new Acela trainsets by International Association of Machinists and Aerospace Workers members at Alstom’s Hornell, NY plant is a shining example for other rail carriers seeking to procure innovative 21st century rail equipment while creating good domestic jobs.

The substantial infrastructure needs of both freight and passenger rail also generate jobs in the construction sector. Whether that be repairing aging tunnels, like the Civil War-era Long Bridge connecting D.C and Virginia; building entire new rail systems, like California High Speed Rail or the Texas Central Railway; or maintaining the infrastructure needed to move freight and passenger rail over the 140,000 miles of track, 100,000 bridges, and thousands of stations that make up the U.S. network; both today’s needs and tomorrow’s investments will put construction employees to work.

¹ <https://www.bls.gov/news.release/union2.nr0.htm>

² <https://www.rrb.gov/sites/default/files/2020-09/District.pdf>

³ In 2019, those without a high school diploma had median weekly earnings of \$592, those with a high school diploma had median weekly earnings of \$746.
<https://www.bls.gov/careeroutlook/2020/data-on-display/education-pays.htm>

Economic Impacts for the Nation

The impacts of the freight rail network on the broader economy are substantial. According to the Federal Railroad Administration (FRA), rail accounts for approximately 40 percent of U.S. freight moved by ton-miles, the most of any mode of transportation, and 16 percent by tons.⁴ In 2017, the share of that movement by the Class I railroads alone generated approximately \$219.5 billion in economic output, and \$26 billion in total tax revenues.⁵ In totality, the vast expanse of the freight rail network connects ports to factories to farms to small businesses, and in doing so is an irreplaceable cog in the movement of goods and domestic commerce.

However, even with the largest freight rail network in the world, opportunities for growth are many and must not be ignored. For example, intermodal carloads, generally shipping containers travelling by water, truck, or air in addition to rail, are an increasingly large component of railroads' business. In a report conducted by the American Association of Port Authorities, 80% of ports said they were seeking better rail access, 90% said better rail access would help meet growing demands, and almost half of ports said that more access would allow them to increase capacity by more than 25%.⁶ In conjunction with record volumes at large costal ports like New York/New Jersey, and LA/Long Beach, these responses underscore that there are still unmet needs and untapped growth for freight rail and rail jobs.

In FY '19 and FY '20, Congress took an aggressive approach towards the need for on-dock rail at ports through robust funding of the Port Infrastructure Development Program. In 2020, of 18 projects awarded, 10 were partially or exclusively for rail improvements. TTD is strongly supportive of these efforts and of future efforts to identify areas where federal investment may be warranted.

The connectivity offered to communities around the country by passenger rail is equally essential. In FY' 19, Amtrak carried 32.5 million passengers, setting ridership records on its Northeast Corridor (NEC) and state supported routes. On the NEC, this largely consists of business and work travel. Former CEO Richard Anderson noted that along the Corridor "commuter rail and Amtrak intercity services provide 820,000 trips each day, moving a workforce that contributes more than \$50 billion annually to the national economy." Off the Corridor, Amtrak's National Network connects many of Amtrak's rural destinations, providing critical service to cities unconnected or underserved by other transportation modes, and fulfilling Amtrak's obligations to function as a true national passenger rail network

As we look forward to the future of passenger rail, we hope for Congress' continued support for Amtrak and its 20,000 employees. Support not only to maintain a robust network, but also to

⁴ <https://railroads.dot.gov/rail-network-development/freight-rail/freight-rail-overview-0>

⁵ <https://www.aar.org/wp-content/uploads/2018/11/AAR-Class-I-Railroad-Towson-Economic-Impact-October-2018.pdf>

⁶ <https://aapa.files.cms-plus.com/PDFs/State%20of%20Freight%20III.pdf>

improve service and reach more communities. In a recent letter to Congress, CEO Bill Flynn called for support for new “corridor” routes, connecting destinations of less than 500 miles apart that currently do not have service, or have service that is too infrequent or inconvenient. TTD strongly supports Amtrak’s expansion in these markets and the improved services and job creation that would come with. We are also encouraged by other efforts to bring state-of-the-art passenger rail projects to the U.S., including the previously discussed high-speed rail endeavors. It is our hope that Congress will consider multiple new frontiers of passenger rail service, and the appropriate application of federal investments, requisite labor protections, and procurement requirements, in order to expand passenger rail to meet service demands, open new markets, and spur job growth.

For both passenger and freight rail, continued economic and environmental importance is predicated on both bold strategies and investments for the future but also on ensuring that today’s challenges are not permitted to go unaddressed. As mentioned above, there is no lack of critical infrastructure projects across the country, and frequently the cost of inaction is high. The Northeast Corridor creates and supports 30 percent of the nation’s jobs and 20 percent of our GDP, yet without the completion of the Gateway Project, trains will continue to be forced to rely on infrastructure more than a century old that creates constant bottlenecks, has high maintenance costs, and carries substantial risks to both human lives and the economy.

Similarly, the B&P Tunnel was constructed in 1873, and is both near the end of its useful life and no longer suitable for the traffic that passes through it. Currently, the tunnel is a chokepoint in which the right-of-way is reduced from four to two tracks, and the curve of the tunnel requires speed to be reduced to 30 miles per hour. These limitations slow down the approximately 55 MARC trains and 88 Amtrak trains that pass through the tunnel daily, carrying over 20,000 people pre-pandemic.⁷ In both examples, addressing today’s needs will be essential to having a world-class rail network in the future that remains capable of delivering economic growth and good jobs.

Environmental Impacts

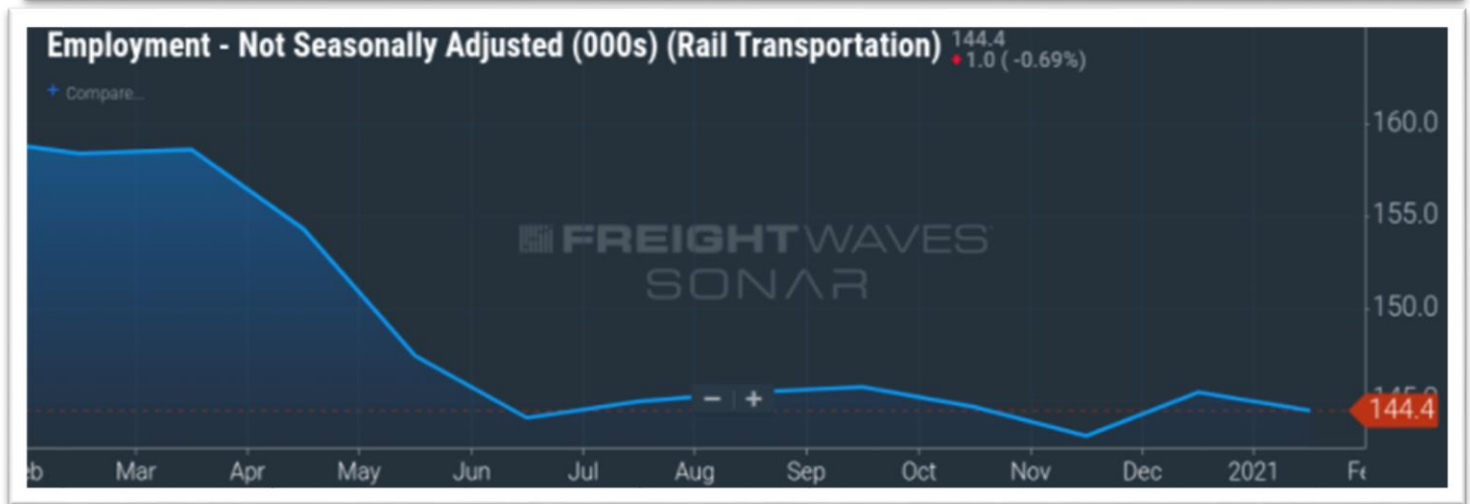
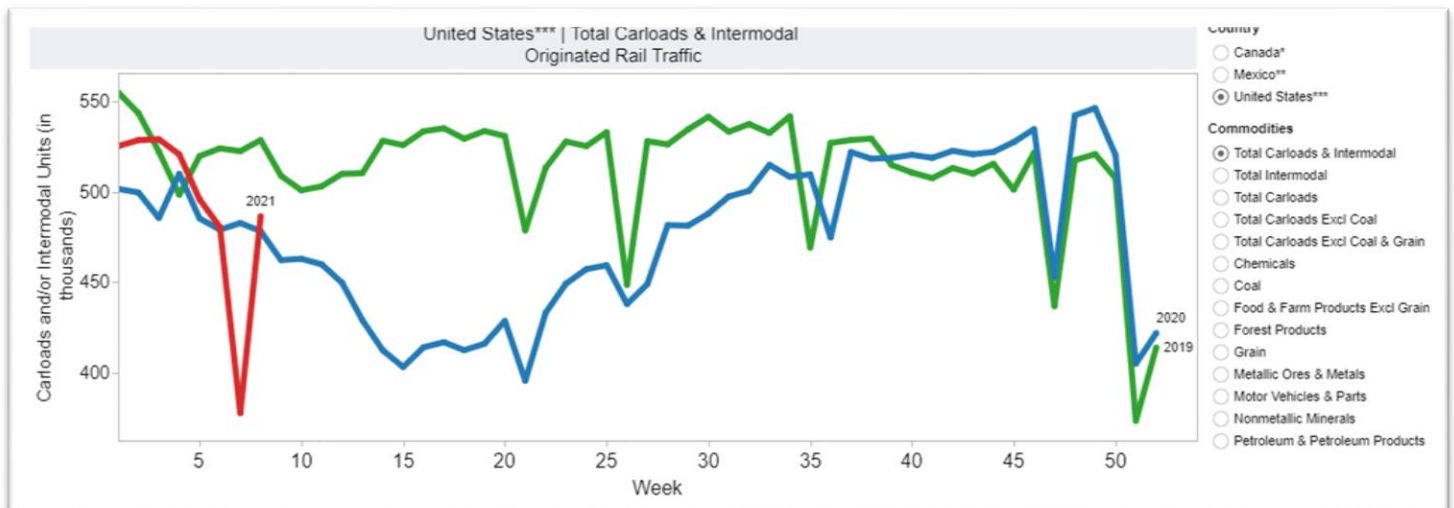
Today’s industry witnesses will discuss the details of the green technologies which are currently in use, making rail the “greenest” form of freight transport by land, as well as the innovations they plan to introduce in the future. The environmental considerations of rail will safeguard the industry’s viability going forward as businesses and policymakers choose cleaner solutions, and TTD encourages these efforts.

We further call on Congress, rail employers, and manufacturers to leverage the development and procurement of new green technologies to create new jobs in this country, and to work in partnership with rail employees when building and deploying these technologies to best promote safety, reliability, and interoperability, and to further ensure that enthusiasm for these new developments is not adopted as a replacement for well-considered and strongly enforced safety regulation.

⁷ http://www.bptunnel.com/content/dam/bptunnel/pdfs/PurposeAndNeed/PurposeAndNeed_BPTunnel.pdf

Fulfilling the Promise of Rail

While there is a bright future for rail and its workforce, we must maintain the promise of the industry as a meaningful creator of good jobs capable of elevating employees to the middle class. However, today we sit at a critical juncture in the direction of the sector. Recent reporting shows that employment at Class I freight railroads has hit its lowest levels in 10 years, if not longer, and is down a disturbing 11.6% from January 2020.⁸ While some job loss was directly attributable to the pandemic, industry data demonstrates that even as carload volume began to normalize to 2019 levels in the second half of 2020, headcounts have failed to increase in keeping with increased business, or to record revenues recorded in recent years.

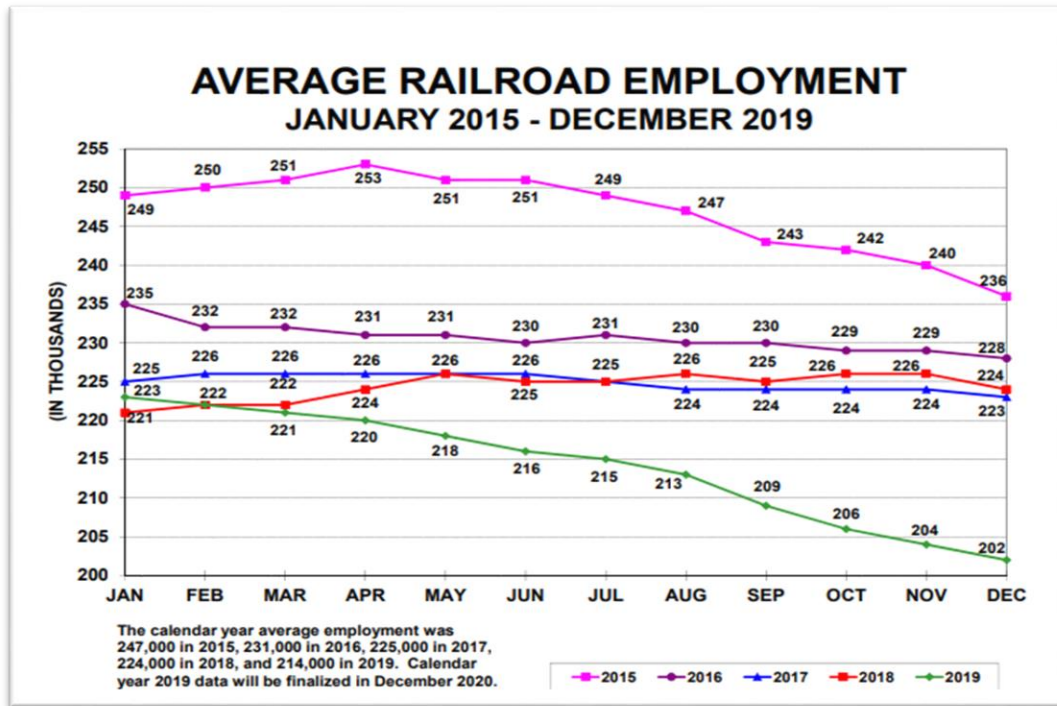


Source: AAR

Source: Freightwaves via Bureau of Labor Statistics

⁸ <https://www.freightwaves.com/news/us-class-i-rail-headcount-sinks-to-near-decade-low>

Unfortunately, this is not a new trend, nor is it exclusive to the pandemic. Due in large part to changes to operating models, employment at Class I carriers has been in precipitous decline over the last several years—between September 2016 and this January, Class I’s collectively have shed 25% of their workforce.⁹ Similar data also appears in the Railroad Retirement Board’s accounting of rail industry employment broadly.



Source: Railroad Retirement Board, Average Railroad Employment, 5 Year Graph

These rapid changes to the industry are not being made due to sudden obsolescence or deep declines in revenue, but are instead borne out of decisions to increase profit margins. Historically, the financial performance of the railroads has been intrinsically linked to the well-being of its workforce. However, in this case we are gravely concerned with the consequences of such a dramatic decrease in employment in such a short time frame, and the implications this has for safety, the railroads’ ability to serve their customers, and the long term health and viability of the sector. TTD recently raised these concerns at a [similar hearing](#) held by the Senate Commerce Committee.

Finally, the quality of employment offered by the rail sector is tied not only to fair wages and compensation, but also to workplace safety and the existence of strong safety culture. The members represented by TTD-affiliated unions have long been at the vanguard of fighting for safety improvements in the industry, and their combined skill and expertise prevent accidents and

⁹ STB Employment Data “STB EMP COMP JAN 21”.

save lives on a daily basis. However, it is essential that rail employers are considered equal partners in promoting safety as new technologies and reimaginings of the function of the rail network are developed. No one understands the realities of rail operations on the ground as well as frontline workers, and whether it be the deployment of new technologies, the crafting of new work rules, or the promulgation of new regulations, the meaningful inclusion of rail workers in these conversations is the only way to maintain and promote safety now and in the future.

Whether freight, passenger, or commuter, railroads represent an integral component of our economy and of our efforts towards a greener future. It is our hope that today's testimony has shined a greater light on the relevancy of the industry, and we look forward to working with you to secure that position for decades to come. Thank you for the opportunity to testify.



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TTD MEMBER UNIONS

Air Line Pilots Association (ALPA)
Amalgamated Transit Union (ATU)
American Federation of Government Employees (AFGE)
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, Iron Ship Builders,
Blacksmiths, Forgers and Helpers (IBB)
International Brotherhood of Electrical Workers (IBEW)
International Longshoremen's Association (ILA)
International Organization of Masters, Mates & Pilots (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, Air, Rail and Transportation Workers (SMART)
SMART-Transportation Division
Transportation Communications Union/ IAM (TCU)
Transport Workers Union of America (TWU)
UNITE HERE!
United Automobile, Aerospace and Agricultural Implement Workers of America (UAW)
United Mine Workers of America (UMWA)
United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service
Workers International Union (USW)

These 33 labor organizations are members of and represented by the TTD

