

## LABOR/MANAGEMENT ISSUES

*Sonny Hall*  
*Transport Workers Union*

I appreciate the opportunity to share with you an employee perspective on the future of intercity passenger rail and specifically on the policy issues and questions that face our nation's passenger railroad—Amtrak. I appear today as president of the Transport Workers Union and as Secretary-Treasurer of the Transportation Trades Department, AFL-CIO which consists of 29 transportation unions, including 13 in the rail sector. Collectively, TTD rail affiliates represent over 20,000 workers at Amtrak and there is little doubt that we have a vested and long-term interest in a strong and vibrant passenger rail system.

This conference has already heard from a number of individuals who have described in detail the financial challenges that Amtrak faces. I do not want to revisit that issue in detail other than to reinforce the point that Amtrak is suffering from chronic under-funding and faces a grave future if Washington lawmakers do not find the political will this year to ensure its long-term survival.

We've all seen the facts. The General Accounting Office confirms what many of us already know: Amtrak is sliding more and more into debt and will need increased government funding to overcome mounting interest payments as well as money to replace rail cars and undertake essential infrastructure improvement projects. The railroad lost \$1.6 billion in 1995 and 1996 and Amtrak President Tom Downs has told Congress repeatedly that the railroad could go bankrupt as early as May 1998 when it exhausts its \$150 million line of credit.

So what can we do to stop this downward spiral? Can we find a way to support a national Amtrak network that workers, passengers and communities can count on to be there now and in the future.

A number of proposals and ideas have been floated and considered. Amtrak management has pursued a strategy which, quite frankly, I don't agree with. First and foremost, Amtrak's strategy buys into the myth that our country can sustain a national rail passenger system without federal subsidies. If I can leave you with a single message today it is this: no country in the world subjects its passenger rail system to such unrealistic expectations—neither should we.

Amtrak is taking steps to "be more like a business." It has begun to investigate alternative sources of revenue, modernize its rolling stock, purchase more efficient locomotives, and restructure services to better serve its customers. These are programs that employees can support

and we will continue to work with management to make Amtrak a more efficient carrier.

However, we cannot and will not allow Amtrak to try and "save" itself on the backs of workers. Just in the past two years Amtrak has laid off nearly 3,500 employees in an effort to cut costs and consolidate operations with little regard for what this will mean for the long-term viability of a national passenger rail system.

Amtrak wants to run an efficient, safe, and customer orientated railroad. That's great, but I do not understand how it expects to meet those objectives if it continues to blindly reduce its workforce and in the process lose a group of experienced and dedicated workers.

In terms of direct financial loss, I cannot think of any other group that has sacrificed as much for Amtrak as its employees. In the 25 years that Amtrak has been in existence it has been the workers who have given, given, and given, every time, in an attempt to keep the carrier running.

In the early 1980s management came to its employees and insisted on a 12 percent wage deferral that was necessary for Amtrak's survival. After 16 years of waiting, I suspect the term "deferral" should be changed to "permanent takeaway" as none of our members ever expect to see that money.

From 1987 through mid-1992, while management enjoyed an annual salary increase as high as 15 percent each and every year, workers saw their wages frozen. The result—Amtrak is still facing a financial crisis and its workers are currently the lowest paid in the entire rail industry.

To illustrate this point my union, the TWU, along with the Transportation Communications Union and its Carmen Division undertook a study of what our sacrifices have meant for workers. What we found is that these employees have essentially been paying a penalty, year after year, for their decision to work at Amtrak.

This "Amtrak Employment Tax" has meant, for example, that a mechanic that started working at Washington's Metro in 1980 would have received over \$100,000 more than if he or she would have worked for Amtrak.

In 1997 alone, Amtrak car mechanics will earn \$2,246 less than those in Atlanta, \$6,510 less than those on Chicago's commuter lines, and \$16,349 less than those on New York and New Jersey's PATH. It is quite frankly embarrassing that we have allowed workers at our nation's national rail system to fall so far behind workers at other transit and commuter rail carriers. This game must stop because it does very little to improve Amtrak's bottom line, but at the same time dooms Amtrak workers to a low wage path.

As I've said time and again, the TWU will look at

sensible reforms that will benefit Amtrak *and* its employees. But we will not continue to take wage-cuts and layoffs that will not only harm workers, but prevent the carrier from providing effective and efficient passenger rail service.

Congress may pursue a variety of legislative reforms presumably geared towards helping Amtrak's long-term financial state. While some of these initiatives are worth pursuing, such as finding ways to allow Amtrak to tap into new business markets, these reforms should not be used to attack Amtrak's already beleaguered workforce.

For example, some in Congress tell us that all we have to do is allow Amtrak to contract out work and all of the carrier's problems will be solved. This phoney, politically motivated effort will not work and distracts attention from finding real solutions to Amtrak's problems. Think of it this way, since Amtrak workers are already the lowest paid in the industry we have to ask the question—who are they going to contract-out the work to while maintaining safety and efficiency standards that are essential to Amtrak's long-term survival. The fact is that contracting out already occurs far too much from our perspective—and yet we're told that Amtrak's survival hinges on outsourcing jobs to even lower wage contractors. A first-class passenger rail system cannot be maintained without a stable workforce dedicated to the long-term performance of the carrier. Legislative reforms that allow wholesale contracting-out is wrong, it will not solve Amtrak's problems, and we will fight it every step of the way.

We also hear popular battle cries from some in Congress that we must wipe out worker protections embedded in the law. Once again, this so-called "solution" is nothing more than an unnecessary, partisan attack on workers that will do nothing to really help Amtrak. If we're interested in the facts, let me just say that Amtrak itself knows that labor protection costs are negligible and insignificant in the debate over its survival. We can only hope that in the future this issue is debated using facts, not politically motivated rhetoric.

As I have previously explained, Amtrak workers have given up a great deal with the promise that one more sacrifice will turn their employer into a viable railroad. So now we are told that our basic protections based in long-standing law are the last barrier between Amtrak and financial nirvana. Well, we know better and we are simply not interested in playing that game. Instead of trying to chip away at workers, we would suggest that those who are truly interested in saving Amtrak join with us in pursuing a strategy that we support, Amtrak supports and several Members of Congress support—securing a dedicated source of capital.

Our international competitors literally laugh at the latest debate over the future of Amtrak. As I stand here today and discuss with you what we can do to save our national rail system, other countries around the world pour billions into their rail infrastructure as they prepare for the next century.

Yet despite the overwhelming evidence against the idea of a subsidy-free passenger rail system, this myth continues to have political life in our policy community. This must stop or we will never stop the financial hemorrhage of Amtrak.

Regardless of the long-term results of ongoing Amtrak reform efforts, they will do nothing to meet the current crisis Amtrak faces right now. We can debate reform all day, or we can wage a national effort to make the case for Amtrak and for a long-term commitment by our government to this crucial transportation investment.

Amtrak already recovers more of its costs from the fare box than any other passenger railroad in the world and most countries are forced to pay a greater percentage of funding to keep their passenger rail system operating than we do in the United States. I just have not seen any credible evidence that would lead me to believe that we can realistically expect Amtrak to completely free itself from some form of public assistance.

In any event, we must recognize that the reforms being discussed will not make an impact for a number of years and it is therefore imperative that steps are taken today to provide Amtrak with a dedicated and reliable source of funding.

TWU and the other rail unions have endorsed a plan put forth by Representatives Bud Shuster and Jim Oberstar that would move the 4.3 motor fuel tax that currently goes to deficit reduction back into the highway trust fund and use ½ cent of that money for Amtrak. Finance Committee Chairman Roth and others in the Senate have similar proposals which rail unions also support.

Because of the recently passed budget deal we must be looking at other options as well. Senator Roth also has a proposal that will create a separate, "walled-off" Reserve Fund that can be used to support Amtrak capital needs. Before this debate concludes, I'm sure other proposals will surface as Congress wrestles with this financing challenge.

Without commenting on the details of these proposals, one thing is certain: there is critical mass forming in the House and Senate to address Amtrak's long-term funding needs. I am heartened to see support build for a dedicated funding stream for Amtrak. Let us seize this window of opportunity and unify around a workable mechanism that not only authorizes more money for Amtrak but actually makes it available to be spent—and now.

We must get past the threshold question: It is in our country's interest to have the finest national passenger rail system in the world?

If the answer to that question is yes, then we must recognize the fact that simply focusing our energies on long-term reforms will not get the job done. The crisis at Amtrak will become aggravated if Amtrak doesn't start realizing that workers simply cannot keep giving to resuscitate a chronically ill patient. This low-wage path to failure must stop if we're serious about having a first-class passenger rail system.

Instead of advancing politically expedient attacks on worker rights, we must dedicate ourselves to enacting a dedicated and reliable source of funding to meet both the short-term cash shortfall and Amtrak's long-term objectives.

If we want to wage a holy war over "labor reforms" that will provide virtually no benefits to Amtrak, then I

suppose we can fight with the best of them. However, if we're serious about stopping the slow but steady death of our national rail passenger system, let us band together to defeat those who would permit this country to abandon its decades of commitment to Amtrak and would permit the wholesale destruction of 20,000 jobs.