

# INTERNATIONAL BROTHERHOOD OF TEAMSTERS

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**JAMES P. HOFFA**  
General President

25 Louisiana Avenue, NW  
Washington, DC 20001



**C. THOMAS KEEGEL**  
General Secretary-Treasurer

202.624.6800  
[www.teamster.org](http://www.teamster.org)

**Testimony of  
John F. Murphy  
Committee on Transportation and Infrastructure  
U.S. House of Representatives  
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Mr. Chairman and Members of the Committee, I appreciate the opportunity to submit this testimony on Amtrak's Strategic Reform Proposal. A national rail passenger system is vital to the economic health of our country, and Amtrak's employees work hard every day to provide good rail passenger service to the riding public.

I am John F. Murphy, the Director of the Teamsters Rail Conference. I am testifying today on behalf of the two members of the Conference: the Brotherhood of Maintenance of Way Employees Division (BMWED) and the Brotherhood of Locomotive Engineers and Trainmen (BLET). Together, the two Divisions within the Rail Conference represent about 4,000 of Amtrak's dedicated employees. The BMWED members build and maintain Amtrak-owned tracks, bridges, buildings and electric catenary and the BLET members are Amtrak's locomotive engineers nationwide. These members are working "24/7" to provide safe and efficient rail passenger service to the traveling public.

Robert Scardeletti, President of the TCU is testifying on behalf of the Rail Labor Division of the Transportation Trades Department, AFL-CIO. We support Mr. Scardeletti's testimony and join with all other rail labor unions in opposing the misguided efforts of the Administration and Amtrak to radically alter national rail passenger service in this country. If the untested, ideological, radical reform proposed by Amtrak and the Administration is

**JOHN F. MURPHY, International Vice President Eastern Region**  
**Special Assistant to the President for Special Projects, Director, Rail Conference, USA**  
765 East Third Street, Boston, Massachusetts 02127 • phone (617) 268-6855 fax (617) 268-6863

adopted, it will effectively end rail passenger service. Instead of committing to expanded, modern rail passenger service, we will have thrown away a vital mode of transportation in pursuit of right wing social experimentation that has failed everywhere else in the world it has been tried.

Amtrak's employees have worked diligently and faithfully to support Amtrak since it was created by Congress to preserve intercity rail passenger service. Amtrak employees have sacrificed as their wages have fallen behind those paid to commuter rail employees, subway employees and freight railroad employees in previous efforts to assist Amtrak through economic crisis after economic crisis. They have fought to maintain a safe and reliable national rail passenger system as funding for Amtrak has been threatened. They have worked hard every day to keep an underfunded national rail passenger system running.

Amtrak's Strategic Reform Proposal makes no sense and insults its hard-working employees. Instead of committing to a modern integrated national rail passenger system and the funding to operate it, Amtrak's Board of Directors and top management throw up a blizzard of so-called "reforms" in an attempt to obscure their unwillingness to tell the truth about the financial needs of a robust, integrated national rail passenger service and the inability of Amtrak management to focus on their mission of providing such rail service.

Whether the cause is political pressure from the Administration to toe some misguided ideological line, or pressure from lobbyists who smell the opportunity to hijack federal funds, or simply the attempt by the Board and management to hide their own ineptitude, the result is a misguided proposal that will do nothing more than jeopardize national rail passenger service in this country without any chance of improving rail service.

We agree with Bob Scardelletti that intercity rail passenger service cannot be broken up into "penny packets" each operated by a different service provider. We tried that before when the freight railroads provided rail passenger service and nearly went broke doing so. Service

deteriorated and passengers simply “couldn’t get there from here.” The nation needs a single integrated company providing intercity rail passenger service.

I can only conclude that Amtrak’s Board and top management are so afraid of standing up and defending Amtrak’s statutory mission of providing rail service that they will bend to any political wind in the mistaken belief that ignoring their statutory obligation to provide rail service and proposing schemes designed by lobbyists anxious to get their hands on federal funding will somehow placate those who want to put Amtrak out of business. Such spineless behavior unfortunately infects everything that Amtrak does. Amtrak’s reform proposal as it affects Amtrak employees is a combination of disrespectful and fanciful. It is disrespectful because it falsely holds out the prospect that getting rid of Amtrak employees will somehow make rail passenger service less expensive to fund. And it is fanciful because it makes suggestions that will simply not save Amtrak any money and actually will cost Amtrak more money.

Several examples demonstrate the folly of the Board’s proposal. The Board proposes that Amtrak should not be subject to the Federal Employers’ Liability Act of 1908 which otherwise applies to all other railroads in the country. Instead, Amtrak wants to subject itself to the various workers’ compensation laws applicable to the states in which it operates.

However, in 1996, the GAO found no economic advantage to rail carriers if they were shifted from FELA to the various state workers’ compensation schemes. Second, Amtrak’s proposal to remove new hires from the federal Railroad Retirement System works several harms. First, if this proposal were enacted, the loss of new participants entering into the Railroad Retirement system would threaten the retirement income of all current and retired railroad workers. Additionally, the newly hired Amtrak employees would not be eligible for the portion of Railroad Retirement which is the equivalent of a private pension benefit.

Unfortunately, Amtrak’s attitude carries over into all parts of its operation. Nearly all Labor Organizations — including Teamster Rail Conference affiliates BMWED and BLET — have been in labor negotiations with Amtrak for almost six (6) years. The chief labor negotiator

for Amtrak, Joseph Bress, has never shown up for a single bargaining session with these unions, including a BMWED bargaining session convened by a National Mediation Board member who expressly requested Mr. Bress to attend the meeting.

Under the Railway Labor Act, contracts don't expire; they are open for modification after a number of years specified in the contract, historically five years in the case of Amtrak. If the parties are unable to agree on a settlement, the Railway Labor Act directs the National Mediation Board to proposed binding arbitration as a resolution of the dispute; however if either party refuses arbitration, the Board must release the parties. The parties are then free to take self-help after a 30-day "cooling off" period. In the event of a strike or lockout, the President has the authority to appoint an Emergency Board, which puts the parties' self-help option on hold while the Board investigates the dispute. Following its investigation, the Emergency Board issues its recommendations to the President who then makes the recommendations public, and historically, if the parties do not accept the recommendations, the Congress imposes them.

Our negotiations with Amtrak have gone nowhere. It has been almost six (6) years since the end of the last contract. Because the BMWED talks have gone nowhere, the BMWED proposed binding interest arbitration to Amtrak's management as a way to conclusively resolve this lingering dispute. We have offered to make our case to a neutral party and live with whatever the arbitrator decides. Amtrak has rejected our offer of binding arbitration, and Mr. Gunn's rejection suggests that Amtrak has no interest in further bargaining.

So we can't negotiate with Amtrak, and Amtrak won't agree to submit the dispute to binding arbitration. The National Mediation Board, which exists to urge the parties to reach agreement, has abdicated its statutory responsibilities. The National Mediation Board fecklessly refuses to take the next step, which is to release the parties. We have no explanation of why, other than Amtrak does not want a release.

So no bargaining, no arbitration, no release. We already have exceeded the usual five (5) year term of an agreement in this round of bargaining. Therefore, any agreement we reach will be subject to amendment and new bargaining the day it is signed. I cannot imagine a more dysfunctional result, a result that I lay directly upon Amtrak management and the National Mediation Board.

What are we to conclude? Sadly, we conclude two things. First, Mr. Gunn and the Amtrak Board have no respect for their employees and the effort they make every day to keep Amtrak running. Second, Mr. Gunn and the Amtrak Board find it useful to lay blame on their employees, and to boast that they are tough with organized labor to those who find such an attitude politically appealing. While Mr. Gunn and the members of the Amtrak Board may find personal political comfort in such a position, it is poor camouflage for their own inability to manage Amtrak and their abysmal failure to advocate effectively for Amtrak as a national rail passenger system and the funding to support it.

Mr. Gunn and Amtrak's rhetoric notwithstanding, the issues raised by Amtrak in bargaining, and in their strategic plan as the keys to the future of Amtrak, are normal issues resolved in collective bargaining. As an example, Amtrak used to provide commuter service to Boston under contract with the Massachusetts Bay Transportation Authority (MBTA). In 2003, the MBTA got rid of Amtrak (Amtrak didn't make a new bid on the service because it alleged it couldn't make money) and hired a new company, the Massachusetts Bay Commuter Railroad (MBCR). Amtrak claimed it was losing money on the service, that it was unable to provide the service profitably with the employees and the collective bargaining agreement it operated under. MBCR hired all of the former Amtrak employees and operates under the old Amtrak collective bargaining agreements. Additionally, MBCR agreed to provide the employees a 20% raise over the next five (5) years, and did not ask the employees to contribute a dime towards the cost of their health insurance. MBCR is operating the service profitably today.

MBCR is focused on providing good service to the MBTA and the commuters who rely on that service, and making money. They recognize that a dedicated work force, treated fairly, is a key component in that service. And they are making money. Amtrak doesn't get it.

Earlier this year, Amtrak stopped being the contractor for operating crews on the Metrolink commuter rail service in Los Angeles, where it was succeeded by Connex Railroad. As was the case in Boston, Connex assumed all operating employees, with their collective bargaining agreements intact. A wage package similar to MBCR also was agreed upon.

In neither Boston nor Los Angeles was FELA, Railroad Retirement, or the Railway Labor Act a problem. The reaction of these new entrants into the market on these issues speaks volumes about the bogus nature of the Mr. Gunn's complaints.

To run a railroad requires a focus on the mission of providing good service every day to the tens of thousands of people riding Amtrak. It requires the employees working hard to provide good service. It requires a company that knows its mission and how to achieve it.

Sadly, Amtrak currently lacks the leadership to perform. Its disdain for its employees, its focus on excuses, its spineless bowing to the fanciful plans of lobbyists cloaked in think tank regalia who are intent only on getting their hands on federal funds, its inability to tell the straightforward truth about its financial needs, all lead to the conclusion that Amtrak is concerned not with providing great rail passenger service in this country, but only with preserving their own jobs in the choppy political waters of Washington. That's no way to run a railroad and certainly no way to treat Amtrak's hard-working employees.