

**TESTIMONY OF  
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PRESIDENT  
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**BEFORE THE  
SUBCOMMITTEE ON SURFACE TRANSPORTATION AND  
MERCHANT MARINE SAFETY INFRASTRUCTURE, SAFETY,  
AND SECURITY**

**COMMITTEE ON COMMERCE, SCIENCE AND  
TRANSPORTATION**

**UNITED STATES SENATE**

**HEARING ON  
PASSENGER RAIL: INVESTING IN OUR NATION'S FUTURE**

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SMART - Transportation Division  
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Chairman Blumenthal, Ranking Member Blunt and members of the Senate Commerce Subcommittee on Surface Transportation, thank you for the opportunity to testify today on the future of passenger rail.

My name is John Previsich. I serve as the President of the Transportation Division of the Sheet Metal, Air, Rail, Transportation Workers. We were formerly the United Transportation Union before we completed our merger with the Sheet Metal Workers in 2011. We represent tens of thousands of men and women railroad, bus and airline workers across America.

This hearing could not be more aptly titled. Public investment in our nation's passenger rail system is truly an investment in our nation's future. Passenger rail is a critical part of our national transportation infrastructure, an important driver of our national and regional economies, and is a middle-class job creator. Amtrak is America's passenger railroad, rising up from the ashes of a cadre of bankrupt private service providers and charged with providing vital rail passenger service across America.

I can speak to this matter from personal experience. I have been involved on passenger rail properties from coast to coast that have leveraged various forms of public funding to provide excellent quality service to the communities through which they operate. In my home state of California I have watched Caltrain in the San Francisco Bay Area use a combination of local and federal funding to revitalize the service and move from a low of 5500 boarding's per day when operated by a private enterprise to the current figure of over 53,000 boarding's per day. In my home county of Santa Cruz CA a planning process is already underway to identify transit corridors that will reduce the number of daily auto trips, decrease our use of fossil fuels and promote more affordable housing. All across America, communities are relying on transit funding to invest in strategic planning that will pay back the investment many times over through job creation, community stimulus, an increased tax base and better utilization of local resources.

The value of passenger rail to travelers has been increasingly shown at the fare box, and has been reinforced by polling that our union has commissioned throughout the country. In every state and district polled, voters overwhelming want increased funding for Amtrak and want more service. Fare box number's back this up. Amtrak carried a record number of passengers in FY 2013, and has set ridership records in 10 of the last 11 years. Unfortunately, this comes at a time when bare-bones federal appropriations have allowed the system to age and deteriorate. As Amtrak's annual budget requests have established, its aging fleet needs replacing and the system faces significant and disruptive renovations to tracks, bridges, tunnels, and other infrastructure in the coming years. Meanwhile the rest of the world – most notably China – is investing heavily in modern and efficient passenger rail infrastructure, leaving American competitiveness, and American workers, further and further behind.

It is with this backdrop that this committee and Congress as a whole must consider passenger rail reauthorization and lay out a long-term vision for Amtrak that includes a predictable dedicated source of funding.

Congress has a choice between those who believe that we should end the decades-long underinvestment in our passenger rail system, and those who would pursue misguided attempts to dismantle Amtrak and run a fire sale on its high-value assets. I firmly believe that the latter would result in the destruction of passenger rail in this country and threaten the 20,000 existing Amtrak jobs.

The last passenger rail reauthorization – PRIIA, signed into law by President Bush in 2008 – was an important milestone for passenger rail in this country. This bipartisan law provided realistic, multi-year funding levels for Amtrak, and resisted efforts to recklessly privatize. In fact, the privatization pilot projects that were included in PRIIA received virtually no private sector interest.

The next passenger rail reauthorization should build on the framework established by PRIIA, and at the same time advance needed reforms. First, Amtrak needs adequate funding to upgrade and operate the Northeast Corridor (NEC) and to operate the regional and long-distance trains that make up our national system. Too often Congress has failed to actually appropriate the funds authorized by PRIIA, making it difficult for Amtrak to complete major capital improvements and modernize its network and equipment. More importantly, the rewrite of PRIIA must recognize that the capital needs of the passenger rail system are enormous and can no longer be ignored or deferred.

The urgency of these capital needs was put front and center in October when Amtrak released an infrastructure report detailing that the four one hundred year old tunnels leading into and out of Manhattan were severely damaged during Superstorm Sandy. With extensive repairs needed, service along the NEC will be badly curtailed, negatively affecting hundreds of thousands of daily commuters and travelers.

It is critically important that Amtrak's proposed Gateway project is funded immediately. Gateway would build new tunnels that would provide the redundancy needed to repair existing tunnels without serious service disruptions, and also build capacity at the busiest commuter and passenger rail section in the country. It will also create hundreds of new jobs. For too long, this looming infrastructure crisis has been a political football. It is time for Congress to make the investments needed to keep the NEC and commuter lines that millions of people count on moving.

I also recognize that the investment needs of our passenger rail system must be met in partnership with individual states and, where appropriate, leveraged with private sector sources. However, states and the private sector will not be reliable investors into passenger rail without adequate federal funding. The federal role in investing in our rail passenger system must be strong, committed and well-defined in order to produce reliable regional partnerships.

PRIIA reauthorization must also reaffirm the national Amtrak system as part of America's interconnected transportation infrastructure and reject risky attempts to privatize Amtrak's NEC operations and long-distance routes. Fortunately, the ideologically-driven privatization agenda that has been pushed by some in recent years has not gained momentum. Permitting private companies to seize those routes is a recipe for ending Amtrak service across the country and would give investors the green light to extract profits from assets paid for over many decades by

the American taxpayer and rail passengers. Further, Congress should not micromanage Amtrak and arbitrarily pick and choose which routes will survive.

I'll be clear on one point. Our union is not opposed to private enterprises. The bulk of our membership work for privately held freight railroads and we have good relationships with those companies.

But the facts are Amtrak has partnered with our private freight railroads, and has negotiated operating agreements with them for more than 40 years. Amtrak's employees, many of whom are federally certified, know and understand the complex operating rules that govern freight railroads, making Amtrak the right fit to operate this vital nation-wide service.

We know the history of passenger rail in America because we and our members have lived it.

Prior to the creation of Amtrak passenger rail service was provided by private railroads for more than one hundred years. Private railroads were unable to provide passenger rail service without sustaining significant financial losses for at least 40 years prior to Amtrak's founding. It was because private operators were unable to continue to provide that service without sustaining huge losses that Amtrak was created. Amtrak was created to save rail passenger service in America, but more importantly Amtrak was created to save our freight industry from economic ruin. America's railroads were losing \$1 billion a year providing passenger service just prior to the creation of Amtrak (\$10 billion) in today's dollars. Had Amtrak not been established America's rail system would have financially collapsed.

Congress must also reject previously offered proposals that would force Amtrak to contract out food and beverage service. In fact, some in Congress actually declared that Amtrak charges too much for cheeseburgers. Amtrak should be permitted to run its business, sell its services and concession items, and decide how to staff the railroad's operations. Federal outsourcing mandates ignore the role of these front-line employees, who not only serve food and beverage but act as first responders during on-board incidents and emergencies. Those attempts are another example of the kind of congressional meddling that only interferes with Amtrak's ability to maintain a qualified work force and meet customers' expectations.

As Congress seeks to update and expand passenger rail, the reauthorization must safeguard the rights, jobs and wages of front-line workers. For rail workers, labor protections provided for in PRIIA should be updated to ensure they apply to all rail workers when federal funds are used to create new services, or to add or transfer infrastructure and equipment to a new entity. The PRIIA protections should also apply when rail lines are sold to states but are still used for interstate rail transportation. In addition, it must be ensured that rail workers performing traditional rail work are covered under the appropriate rail and labor statutes including the Railroad Retirement Act, the Railway Labor Act and Federal Employee Liability Act. Allowing employers, often-times foreign corporations, to circumvent U.S. labor laws or to undercut wages and benefits and then claim the private sector is more efficient or profitable is a game that must not be played if we are serious about having a first-class rail system and one that creates and sustains middle class jobs.

Additionally, Congress must resist attempts to cut workers' overtime pay or limit pension payments as a condition of receiving federal funds. Overtime payments are an unavoidable aspect of a 24 hour a day transportation network. Capping overtime pay or excluding it from

pension calculations would constitute an assault on the living standards and rights of rail workers while making no worthwhile improvement to passenger rail customer service or performance efficiency.

PRRRA's investment in passenger rail is an opportunity to boost U.S. manufacturing capacity and jobs. The next reauthorization must uphold strong Buy America laws and emphasize smart procurement policies. This will ensure that federal investments are leveraged to achieve the greatest possible economic impact and job growth. Amtrak has already made strong efforts to increase the efficiency and productivity of its procurement process through the work of the Next Generation Corridor Equipment Pool Committee and a partnership with the California High-Speed Rail Authority. Amtrak has also adopted a U.S. employment plan as part of its bidding requirements for manufacturers seeking to win the procurement for the next fleet of NEC high-speed trains. This reauthorization must build upon these efforts to incentivize the use of American made products throughout the production process. Not only will this put more Americans to work faster, it will ensure that we have a robust manufacturing sector able to supply the products needed by the passenger rail industry for years to come.

Earlier this year the House Transportation and Infrastructure Committee reported out the Passenger Rail Reform and Investment Act (PRRIA) of 2014. My union, as well as the other rail labor unions supported this measure and applauded the bipartisan nature of the proposal. The four-year bill does many important things that will help strengthen our national passenger rail network and create more diverse and reliable options for the public. It also rejects the types of reckless privatization measures that I spoke of earlier. However, it does not provide Amtrak with the funding levels required to meet the needs of an aging system and the increasing demands of passengers. Most of all it does not establish a predictable dedicated funding source so Amtrak can adequately plan for future investments.

As Amtrak's annual budget requests and recent infrastructure reports have established, its aging fleet needs replacing and the system faces significant and disruptive renovations to tracks, bridges, tunnels, and other infrastructure in the coming years. The authorization levels set in the House bill – which would level out funding at current appropriations levels – do not provide the funds needed for these long term improvements. Until these funding levels are met, we cannot achieve the level of passenger service, reliability and job creation that our nation needs and deserves.

Passenger rail reauthorization is an opportunity to make a much needed investments in a critical segment of our transportation system. I look forward to working with the members of this Committee on the timely passage of a bill that establishes dedicated long-term Amtrak funding, supports the jobs and rights of Amtrak's skilled and dedicated employees, rejects unwanted and ill-advised privatization proposals and lays out a national rail policy that is integrated with America's multi-modal transportation system needs.

Thank you for the opportunity to appear here today.