

**Remarks of Robert A. Scardelletti, TCU International President  
On the Amtrak Settlement**

To the AFL-CIO Executive Council

March 4, 2008 – San Diego, CA

For eight years, 12 unions representing a total of 15,000 union members stood up against President Bush's constant budget cuts for Amtrak and a Bush-appointed Amtrak Board of Directors who demanded unacceptable sweeping concessions as the price of settling contracts that had opened at the beginning of the year 2000.

We stood against three Amtrak CEOs during that eight-year period, each of whom was selected by the Bush-appointed Board of Directors. The Board, of course, followed the dictates of the President; they effectively called for the elimination of Amtrak.

One of those years Bush's budget zeroed out Amtrak, which went nowhere even under a Republican Congress. During those years the Board of Directors consistently asked Congress for less money than was needed to preserve the existing system.

Legislatively, the Board proposed to Congress that Amtrak no longer be covered by the railroad retirement system and FELA, the law that covers injuries in the rail industry.

And, again following the administration line, the Board told Congress that they favored more competition from private operators over who would run passenger trains.

Can you imagine the Board of Directors of a corporation calling for more competition? That is without question a breach of their fiduciary responsibility. As members of the Amtrak Board of Directors it is their solemn duty to protect and promote Amtrak, the same as any Board of Directors of any corporation in America.

And, of course, the Bush Board of Directors had a special place in their hearts for Amtrak workers. From the first day of bargaining eight years ago their bargaining position was that there would be no contracts

unless the unions agreed to sweeping rule concessions, including unrestricted contracting out.

Just to give you some examples of their idea of contracting out, Amtrak wanted to eliminate 1,000 reservation clerks – and send that work to India. We raised hell on the Hill and were able to stop that.

Amtrak also said they would contract out of all our coach cleaning positions – 750 – because they could get it done cheaper. No kidding! Everything can be done cheaper, if there are no unions. That is why we have unions: so people can do better.

Amtrak had specific ideas for every craft to eliminate or contract out the work now performed by our union members. Thousands of jobs would be lost.

Amtrak's bargaining position went even further. They said from day one that they would never agree to retroactive pay. If we refused to cave in to their concessionary demands, they would simply wait us out.

As a result negotiations dragged on for an unprecedented eight years, with Amtrak never departing from its day one position.

The longer we held out, the higher the retro pay that we were demanding became, until it finally reached \$150 million. And, given Amtrak's limited year to year funding, they argued they could not afford that amount even if they abandoned their no back pay position. We just went in circles with no end in sight

Under the Railway Labor Act unions can't strike until released by the National Mediation Board. The NMB, of course, is appointed by the President and Amtrak counted on the fact that a Republican-dominated NMB would never release the unions to strike. And Amtrak was right for eight years.

But even a Bush-appointed NMB couldn't justify the prospect of holding us forever and in October 2007, following years of requests for release by many of the unions, the NMB finally released us – much to Amtrak's shock..

Following the release, as expected, Bush appointed a Presidential Emergency Board to make non-binding recommendations for settlement.

Under the Railway Labor Act that had the effect of delaying any strike action for 60 days.

Most people expected a Bush-appointed Board to endorse Amtrak's bargaining demands – which would have surely resulted in a strike – barring congressional intervention.

But the PEB shocked everyone: their recommendations adopted the union position almost right down the line. They recommended full back pay. They rejected all of Amtrak's work rule demands. And their report slammed Amtrak for bad faith bargaining.

In dollars, the PEB report, which ultimately provided for the basis of our contracts, provided us \$156 million more than Amtrak was offering.

Now this was a Bush-appointed PEB and I can tell you that it is one of the best reports I have ever seen. No one can be sure why that happened. I like to think that the fact that all the unions before the Board presented a single, unified position based on an existing national freight pattern was just too reasonable for the Board to ignore.

With their conservative disposition I think they were sympathetic to the fact that the unions were proposing to apply historical pattern standards that had traditionally been followed by PEBs and they were put off by Amtrak's radical proposals on no back pay and work rules, as they had no historical precedent.

Whatever the reasons, we know the recommendations of this PEB go against everything the Bush administration wanted for Amtrak. But it was their hand-picked Board and they were clearly stuck with its recommendations.

The Bush Administration issued a press release calling upon the parties to settle on the basis of the PEB recommendations. In the end Amtrak was told by Congress to settle the contract and drop all their demands.

Key congressional help came from Senators Kennedy, Durbin, Lautenberg and Murray, and Congressman Oberstar. Many others helped but these people were definitely our champions.

In the face of that congressional support Amtrak relented and agreed to sign contracts based on the PEB recommendations.

The contracts cover 10 years – 2000 to 2010 – with wage increases during that period amounting to 33 percent and full back pay averaging over \$13,000 for employees, some higher or lower depending on rates of pay and some crafts as high as \$30,000.

Amtrak has enough money to pay 40 percent of the back pay now and to put all wage increases into effect.

To achieve the remaining 60 percent of the back pay, which under the contracts must be paid next year, Congress will have to appropriate an additional \$114 million which they are working on right now.

I would like to list the unions that have reached an agreement with Amtrak because they all deserve credit:

- Transportation Communications International Union's Carmen and Supervisors Divisions
- Transport Workers Union of America
- Brotherhood of Maintenance of Way Employees/IBT
- International Brotherhood of Electrical Workers
- International Association of Machinists and Aerospace Workers
- Brotherhood of Railroad Signalmen
- American Train Dispatchers Association
- National Conference of Firemen and Oilers/SEIU.
- United Transportation Union
- Sheet Metal Workers International Association
- International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers
- Brotherhood of Locomotive Engineers and Trainmen/IBT

This was the most difficult and frustrating negotiations I've ever been involved in. But with the support and patience of our memberships, all the unions had the wherewithal to stand up to Amtrak's take it or leave

bargaining strategy for an incredible eight years. And in the end we prevailed with an excellent contract.

We expect that with a Democrat in the White House and a Democratic-appointed Board of Directors, we'll be looking at eight days to reach our next agreement, rather than eight years.

Thank you.

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