

Testimony of

Arthur Maratea
National President
Transportation Communications Union

Before the

U.S. House of Representatives
Transportation & Infrastructure Committee
Subcommittee on Railroads, Pipelines & Hazardous Materials

At a hearing titled

“Amtrak’s Response to COVID-19”

September 9th, 2020

I want to thank Chairman Lipinski, Ranking Member Crawford, and Chairman DeFazio for inviting me to speak today on the impact of COVID-19 on the Amtrak workforce.

My name is Artie Maratea, National President of the Transportation Communications Union (TCU).

TCU is the largest labor union on Amtrak, representing clerical crafts, ticket clerks, station agents, onboard service staff, customer service representatives, supervisors, coach cleaners, car repairmen, and others.

I'm here on behalf of these thousands of Amtrak workers to urge Congress and President Trump to act now to preserve our nation's railroad, protect good jobs at Amtrak, and reauthorize the extension and expansion of RUI benefits so that thousands of railroaders – Amtrak or otherwise – can continue to put food on the table.

Amtrak's Outlook

Today, the immediate future of Amtrak's workforce is largely uncertain. With the additional funds from the CARES Act drying up, and overall ridership continuing to be severely reduced compared to last year, Amtrak now stands on the edge of a fiscal cliff. Absent action from Congress, October 1st will mark the beginning of severe workforce and service reductions nationwide.

Amtrak's heavily-criticized May 25th Supplemental Grant Request initially outlined their intention to furlough up to 3,700 employees and reduce most long-distance trains from daily to three times per week. TCU and others disagreed with Amtrak issuing a self-defeating proposal that volunteered the elimination of employees – our members. Others, such as the Rail Passengers Association (RPA), were similarly outraged by Amtrak's proposed reduction of long-distance train frequencies. Indeed, these actions align with former Amtrak CEO Richard

Anderson’s long-sought goal of gutting the National Network. To this point, Amtrak’s proposal for returning long-distance service, once cut, leaves too many unanswered questions, and fails to guarantee its return to pre-COVID levels.

“...Amtrak’s plan to terminate one out of every five employees would put thousands of Americans out of work at a time when millions of Americans have lost their jobs. This severe reduction in workforce raises serious doubts about whether a realistic plan exists for fully restoring service in a timely fashion...”

[Excerpt from letter led by Sen. Daines and six other U.S. Senators]

Many in the Senate also expressed their frustrations with Amtrak’s proposals, including Republican

Senators Daines (MT), Cramer (ND), Hoeven (ND) and Braun (IN), as well as Democratic Senators Tester (MT), Bennet (CO), Heinrich (NM) and Udall (NM). We thank these Senators for standing up for Amtrak workers and service.

Our own analysis of Amtrak’s May 25th request shows that the proposed savings don’t add up, while shifting much of the financial burden to taxpayers.¹ Regardless, Amtrak’s proposal relied on getting \$1.5 billion in supplemental funding – a figure critics believed would be grossly insufficient, even in the earlier days of the pandemic, and which has proven true with Amtrak’s most recent updated request.

If Congress fails to act, and Amtrak receives no supplemental funding on October 1st, the damage to the railroad would be catastrophic: according to Amtrak, **furloughs would amount to over 10,000 employees (approx. 60% of the workforce) and service cuts would be severe across all business lines.**

There is indeed wide bipartisan agreement that Amtrak should continue to exist as our National Passenger Railroad. The question before us today: when will Amtrak and Congress take action to ensure its survival? Today? Or after it’s too late.

¹ Transportation Communications Union: “Amtrak cuts save less than you think” 8/3/20 [Attachment A]

On July 28th, TCU, TWU and other rail labor unions issued our request for \$4.5 billion in supplemental funding for Amtrak [\$6.5 billion total FY21 funding].² RPA supports bold funding as well. This House of Representatives included \$10 billion in operating, capital, and emergency response grants in their THUD appropriations bill.

What is Amtrak doing? It took Amtrak until this past week to finally increase their FY21 supplemental request to \$2.9 billion [\$4.9 billion total].

Don't get me wrong: we're glad Amtrak came to their senses, but what took them so long? Airlines and Transit agencies have had their grant request figures out for months. It feels like Amtrak had to be shamed into asking for adequate help. And just as the airlines' payroll support program seeks to protect airline workers from furlough, any funding provided to Amtrak by Congress *must guarantee protections* for the workforce and daily long-distance service.

Again, we're glad Amtrak's request is finally moving towards their true needs to maintain the workforce and long-distance routes. Sadly, it comes a mere three weeks before the new fiscal year.

You can therefore understand my frustration, and why thousands of Amtrak workers are so scared about the next few months. While many Americans have had the luxury of working from home, these Amtrak workers – as well as their counterparts in other transportation modes – have been putting their lives on the line to keep our fragile economy moving, at great risk to themselves and their families.

To date, Amtrak has done a reasonably acceptable job protecting our members and riders from COVID-19 transmission, including mandating masks for both employees and riders. However, there have been some concerns. For example, some Onboard Service crews have complained they're given inadequate supplies of PPE and cleaning agents to last the duration of their

² Transportation Trades Dept., AFL-CIO letter to Congressional Leadership on Amtrak funding, 7/28/20 [Attachment B]

roundtrip shift deployment. These workers – and many others in the transportation sector - need assurances and support as the pandemic continues.

TCU is very supportive of legislative efforts to establish strong federal mandates on issues like the provision of PPE and cleaning protocols, including language in the HEROES Act, an amendment that was included in H.R. 2 offered by Rep. Chuy García, as well as S. 3884, the Essential Transportation Employee Safety Act of 2020.

As September 1st, 3,843 Amtrak workers have had to quarantine and miss work, 462 have contracted the virus, and, sadly, some have died. These people have sacrificed, risking exposure to themselves and their families, and now they're faced with losing their jobs come October 1st.

The House of Representatives has been proactive in trying to put some certainty in their lives by averting this nightmare scenario.

Amtrak workers were thrilled to see the FY2021 funding numbers in the Transportation, Housing and Urban Development (THUD) appropriations bill, which included \$10 billion for Amtrak's operating and capital budgets, as well as to respond to the pandemic. The bill also requires Amtrak to retain its workforce and train frequencies, provisions that must be included in any supplementary funding agreement.

This is the kind of bold action that Amtrak workers need – *and they needed it yesterday.*

TCU strongly urges the Senate to follow the House's lead, and act now to ensure that Amtrak workers can stay on and continue to move Americans across the country.

Railroad Unemployment Insurance

Without immediate action from Congress, Amtrak will be sending thousands onto the Railroad Unemployment Insurance (RUI) rolls. Unfortunately, RUI is dire straits as well. The expansion and extension of RUI that was included in the CARES Act expired on July 31st, and the

additional funds provided to the Railroad Retirement Board (RRB) for administering these increased benefits are nearly gone.

On August 8th, President Trump issued a Memorandum attempting to unilaterally address the lapsing of the Unemployment Insurance expansion. His memo attempts to provide a \$300 expanded benefit for regular State-based Unemployment Insurance. Unfortunately, President Trump's memo does *nothing* for railroaders as it fails to include them in the extended benefit.

And, while I'm on the topic, the Senate Republican Leadership's July 27th draft coronavirus relief package failed to include RUI as well.

The current maximum benefit under Railroad Unemployment Insurance (RUI) is \$80 per day, or \$400 per week. Unfortunately, in 1985, the Balanced Budget and Emergency Deficit Control Act mistakenly included RUI on a list of programs subject to sequestration, railroaders must now take an artificial 6% hit to their RUI checks.

This is a slap in the face to railroaders who deserve every bit of their earned benefit. Congress should fix this unfairness *today*.

Please note that *no other Unemployment Insurance program* is subject to sequestration, only railroaders. I can think of no better time to remedy this unfairness than today, when so many railroaders are being furloughed, and families of the unemployed need every dollar they're owed.

That's why the Rail Labor Division (RLD) joined the Association of American Railroads (AAR) and the American Short Line and Regional Railroad Association (ASLRRA) wrote a joint letter urging Congress to remove RUI from the list of programs subject to sequestration.³

³ RLD-AAR-ASSLRA May 4th, 2020 letter to Congressional leadership calling for RUI to be removed from sequestration [Attachment C]

The House has at least heard our calls for help as they addressed issues surrounding railroad unemployment in the HEROES Act, which expanded and extended RUI until January 31st, 2021, while also removing RUI from the list of sequestration programs.

Again, we urge the Senate to pass this legislation *today*.

Amtrak workers, our transit workers, and millions of Americans need Congress to act NOW to prevent the kind of economic catastrophe that would occur if our transportation modes are left to wither on the vine. We ask Congress to provide urgent funding to Amtrak in order to preserve our nation's passenger railroad, keep people employed, and provide vital transportation access to *all* the places that Amtrak serves.

Thank you for allowing me to testify.

Analysis: Amtrak's proposed workforce cuts save less than you think

Introduction

On May 25th, 2020, Amtrak issued its FY2021 Supplemental grant request in response to the COVID-19 pandemic and its resulting impact on the company's financial position. The railroad argued that the severe downturn in ridership – down 95% at its worst – would require significant federal assistance to stay afloat. Their request asks for **\$1.475 billion** in funding to supplement Amtrak's regular **\$2.04 billion** grant request, for a combined **\$3.515 billion** for FY2021.

Amtrak leadership also conveyed their plan to cut operating expenses in order to reduce the size of tax-payer assistance, and “reduce enormous losses and protect funding for our critical capital needs” (Amtrak FY21 Supplemental, Pg. 4). Amtrak proposes the round figure of **\$500 million**, broken out as **\$150 million** in savings from reduced capacity and frequencies of routes (i.e. the reduction of long-distance train service from daily to 3x a week), and **\$350 million** in savings from workforce reductions.

This memo will focus on the costs associated with furloughing 3,190 employees for one year (3,700 proposed furloughs minus the 510 employees that took VSIP), to include direct costs to Amtrak as well as costs to taxpayers resulting from the furloughs. For additional reading, please review the Rail Passengers Association's (RPA) analysis on the public costs of reducing long-distance train services.

On its face, Amtrak's proposal to reduce its workforce by up to 20% (~3,700 people) seems like a prudent move by any company in dire financial straits. However, due to the nature of the service, the unique costs of the Railroad Unemployment Insurance (RUI) system, ancillary costs associated with health insurance and healthcare utilization, and the costs of training new hires upon resumption of service, the savings to taxpayers are nowhere close to what Amtrak advertises in their FY2021 Supplemental grant request.

Summary

Amtrak initiated a Voluntary Separation Incentive Program (VSIP) which culminated in the planned exit of 510 employees: 226 management, and 284 agreement (aka “union”) personnel. Amtrak set separation payments at **\$20,000** per management employee and **\$10,000** per agreement employee, for a total cost to Amtrak at **\$7,360,000**.

Subtracting 510 employees from the stated 3,700 announced furloughs leaves **3,190 employees** to be furloughed beginning on October 1st, 2020, per Amtrak's proposal. The following is our estimation of the flawed and misleading savings Amtrak is reporting as part of the plan outlined in their FY2021 Supplemental Grant request, and how the amount the proposed savings is not close to what is being proposed, **only saving Amtrak and taxpayers approximately \$40,826,168** after factoring in all costs attributable to the furloughs.

Please note that this paper does not address the potential destruction of Amtrak as we know it, by reducing long-distance routes from daily to 3x week, and the loss of economic activity that would befall small communities across America as a result.

Analysis

The following analysis should be read along with the accompanying cost spreadsheet. Please cite the spreadsheet for detail regarding calculations, estimates and assumptions.

Railroad Unemployment Insurance (RUI) - Amtrak is part of the Railroad Unemployment Insurance (RUI) system, which is a benefit administered through the Railroad Retirement Board (RRB), and serves as the unemployment insurance system for railroad workers in place of State-based UI. Under the RUI system, normal benefits last for 26 weeks, with an additional 13 weeks for tenured railroaders (those with over 10 years of railroad service). The CARES Act added an additional 13 weeks onto RUI resulting in 52 weeks total (26+13+13=52 weeks).

Based on the 52-week benefit term period (and the assumption of tenured 10-year railroaders), and the normal \$400/week benefit, regular Railroad Unemployment Insurance will cost taxpayers **\$66,352,000**. And while this would not be borne out on Amtrak's balance sheet, they are still considered tax dollars via the federal government.

Using the same figures in the preceding paragraph but using the **\$600/week** benefit, per CARES Act, the expanded benefits would cost taxpayers an additional **\$74,646,000** if continued for all 52 weeks.¹

RUI Employer Tax Increases – Railroad Unemployment Insurance (RUI) contributions are paid by railroad employers, not employees. There is a separate variable surcharge tax applied to all railroad employers, but for the purposes of this analysis we will only discuss the “Experience Rate” placed on an employer because it is reactive to the employer's usage of the RUI system.

To explain the Experience Rate: if Company X uses RUI frequently (i.e. furloughs people often), Company X pays more in the subsequent years (the experience rate is based on a 5-year average so as not to sticker-shock employers with a tax increase). The rate is formulated based on payouts from RUI versus Company X's remaining compensation base.

[Again, there's also a Surcharge placed on *all employers* depending on whether the RUI account's funds are running low (the threshold is indexed annually), but we won't include those

¹ Congress is currently debating amending the UI expansion and extension that was part of the CARES Act, but due to time constraints and impending legislation we chose to calculate as if the expansion is to be continued for the foreseeable future.

calculations here since it would be difficult to ascribe what percentage of the Surcharge Tax increase would be attributable to Amtrak's furloughs.]

Since individual employer overall tax rates are not disclosed, we have to estimate based on prior instances of mass furloughs to a Carrier, and the resulting experience rate increases over the several years that followed. We estimate the individual experience rate to Amtrak would be increased to at least **4.93%** in the first year it is counted (2022), with the rate gradually decreasing over the next few years. [Remember: the experience rate is a 5-year average of the company's utilization of the RUI system, so a single mass furlough will impact the company's taxes for several years.]

In addition, the Experience Rate tax is only applied to approx. the first \$20,000 of an employee's annual earnings, or \$1,666 per month. It's currently \$1,655 in 2020, but we index to \$1,666/mo or \$20k/year for 2022 calculation and reuse that figure for simplicity (even though the figure would actually be higher in subsequent years 2023-26). Therefore, based on the remaining workforce of 14,900 and at an annual taxable base of \$20k per employee, the total annual taxable compensation for Amtrak would be ~\$298 million.

Using \$298 million as the compensation base subject to taxes, and the estimated increased tax rates projected over 5-years, we can project a total Experience Rate tax increase on Amtrak of **\$43,270,494** – all due to the one-time furlough of 3,190 employees.

Lost Health & Welfare Contributions - Currently, Amtrak employees contribute \$228/month towards their health insurance. Amtrak has agreed to carry furloughed employees on their health insurance for a year after Oct. 1st. While this is indeed a nice benefit – and was called out by union officials and agreed to by Amtrak – the end result is still an added cost to Amtrak as a result of furloughs, and therefore is expected to cost Amtrak **\$8,727,840** for FY2021 in lost contributions from furloughed employees.

Increased Healthcare Utilization by Furloughed Employees- Amtrak is self-insured and as such must make payments of the costs, on a monthly basis, for their workers utilization of healthcare services. Rail Labor estimates increases their utilization by at least 8%. This is conceptually supported by an National Institute of Health (NIH) study that found that employees who retain their Health Insurance after furloughs are announced.² It is therefore estimated the additional usage of the healthcare system by furloughed workers will cost Amtrak **\$8,160,000** in premium increases.

Amtrak's Training costs due to Furloughs - Amtrak will incur training costs to replace approximately 80% of the furloughed workforce when service and ridership returns to pre-pandemic levels. This percentage is from past experience on Amtrak.

² Hamad, R., Modrek, S., & Cullen, M. R. (2016). The Effects of Job Insecurity on Health Care Utilization: Findings from a Panel of U.S. Workers. *Health services research*, 51(3), 1052–1073. <https://doi.org/10.1111/1475-6773.12393>

According to an Amtrak OIG analysis, Amtrak spent between \$40-\$45 Million on training in 2009. This is the last year that this information has been available. According to the report, more than half of the training dollars were spent on new employees. After calculating the per-employee cost and adjusting for inflation, the 2020 cost of training is ~\$12,401 per new employee. Applying the percentage of employees who did not return to Amtrak after furlough (80%), 2,552 employees will need to be trained at a cost of **\$30,889,408**.

Conclusion

The COVID-19 crisis is taking a toll on all transportation modes, and Amtrak is no different. While ridership revenues are down across all of Amtrak's business lines (NEC, Long-Distance, State-Supported), that does not mean that people aren't continuing to ride, or that ridership won't return once the pandemic abates. Indeed, Amtrak's Long-Distance trains have lost less ridership than other business lines, indicating a resilient and dedicated ridership that is choosing Amtrak for intercity travel, both for its quality experience and the ability to be more socially distant.

This memo has shown, from a purely cost-standpoint, why Congress should think twice before adopting Amtrak's FY2021 Supplemental request proposal. As we've shown, the net savings for Amtrak and taxpayers associated with furloughing 3,190 employees is relatively minimal compared to the drastic service reductions. In addition, the skilled workforce that Amtrak relies on to operate and deliver a top-quality experience would be decimated by these cuts, and retraining employees after the pandemic abates would not only cost Amtrak millions, but would inevitably delay and complicate Amtrak's ability to restart in a timely manner.

The Transportation Communications Union (TCU/IAM) is the largest union on Amtrak, representing approx. 6800 employees in various clerical, onboard service, supervisory, and maintenance crafts. On behalf of our members, we strongly encourage Congress to fully fund Amtrak in a manner that keeps our people employed and running trains at robust frequencies.

Transportation Communications Union (TCU/IAM) Legislative Department

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<u>Amtrak saving & costs associated w/ furloughing employees</u>	
<u>Amtrak's Proposed Savings (via FY21 Supplemental)</u>	
<u>Assumed base figures</u>	
FY19 total employees (per Amtrak FY19 year-end corporate profile):	18,600
FY21 total expected employees (FY19 minus proposed workforce reductions)	14,900
<i>Proposed employee furloughs (3,700 minus 510 VSIP)</i>	3,190
<i>Average Amtrak salary:</i>	\$87,847
Amtrak's proposed total salary cost savings:	\$280,231,930
<u>TCU's calculated costs associated w/ furloughing 3,190 employees</u>	
<i>Lost H&W Contributions</i>	\$8,727,840
<i>RUI - Regular</i>	\$66,352,000
<i>RUI - Expansion (+\$600)</i>	\$74,646,000
<i>Est. increased RUIA Experience Rate taxes on Amtrak</i>	\$43,270,494
<i>VSIP costs</i>	\$7,360,000
<i>Estimated increased Healthcare costs (from increased utilization)</i>	\$8,160,000
<i>Est. cost to retrain employees (based on rehiring same number of "proposed furloughs"):</i>	\$30,889,408
Total Amtrak/taxpayer costs for furloughing:	\$239,405,742
ACTUAL net savings from furloughing 3,190 employees:	\$40,826,188
<u>Lost Health & Welfare (H&W) Contributions</u>	
<i>Proposed employee furloughs</i>	3,190
<i>Monthly employee HC contribution:</i>	\$228
<i>Monthly total employee HC contribution:</i>	\$727,320
Annual total employee HC contributions	\$8,727,840
<u>Railroad Unemployment Insurance (RUI) Costs - Regular</u>	
<i>Proposed employee furloughs</i>	3,190
<i>Weekly RUI (per employee):</i>	\$400
<i>Weekly RUI Costs (total):</i>	\$1,276,000
Total RUI expansion costs (52 weeks available):	\$66,352,000

Railroad Unemployment Insurance (RUI) - Expansion	
<i>Proposed employee furloughs</i>	3,190
<i>Weekly RUI expansion (per employee):</i>	\$600
<i>Weekly RUI Costs (total):</i>	\$1,914,000
<i>Total RUI expansion costs (39 weeks available):</i>	\$74,646,000
RUI Employer Tax Increases**	
<i>Amtrak compensation base subject to RUI Experience Rate taxes (only applies to first ~\$20k in comp. per employee):</i>	\$298,000,000
<i>Est. 2022 RUI Experience Rate</i>	4.97%
<i>Est. 2022 RUI Experience Rate annual cost:</i>	\$14,803,746
<i>Est. 2023 RUI Experience Rate</i>	4.93%
<i>Est. 2023 RUI Experience Rate annual cost:</i>	\$14,700,042
<i>Est. 2024 RUI Experience Rate</i>	2.64%
<i>Est. 2024 RUI Experience Rate annual cost:</i>	\$7,881,504
<i>Est. 2025 RUI Experience Rate</i>	1.71%
<i>Est. 2025 RUI Experience Rate annual cost:</i>	\$5,081,496
<i>Est. 2026 RUI Experience Rate</i>	0.27%
<i>Est. 2026 RUI Experience Rate annual cost:</i>	\$803,706
<i>Est. Experience Rate total cost as a direct result of furloughs:</i>	\$43,270,494
Voluntary Separation Incentive Program (VSIP)	
<i>226 management x \$20k buyout</i>	\$4,520,000
<i>284 agreement x \$10k buyout</i>	\$2,840,000
<i>Total VSIP cost:</i>	\$7,360,000
Increased Healthcare Costs (not including vision/dental)	
<i>Furloughed Employees</i>	3,190
<i>Amtrak healthcare costs, per employee, per month (avg)</i>	\$2,500
<i>Amtrak's monthly healthcare costs for furloughed employees</i>	\$7,975,000
<i>Amtrak's annual healthcare costs for furloughed employees</i>	\$95,700,000
<i>Est. percentage increase in healthcare costs due to increased utilization:***</i>	8%
2021 premium increase in usage est.	\$8,160,000
Amtrak's cost to train new hires (post-pandemic)	
<i>Report: "Amtrak spends between \$40-45 million on training each year":</i>	\$42,500,000
<i>Report: "More than half spent on new employees" (Extrapolation: multiply by ~52%)</i>	\$22,100,000
<i>Report: "Amtrak hired 1097 new employees over first 6 months of 2009"</i>	1,097

<i>Extrapolate annual new hires by multiplying x2)</i>	2194
<i>2009 training costs per new hire (divide new hire training costs / Est. 2009 total new hires) =</i>	\$10,073
<i>Adj. for inflation, expressed in 2020 \$\$</i>	\$12,104
<i>New hires to retrain after pandemic: ~80% of those furloughed don't return</i>	2,960
Cost to train new hires after pandemic:	\$30,889,408
Source: Amtrak OIG report on Training and Employee Development (2009)	https://amtrakoig.gov/sites/default/files/reports/Training%20Eval%20Report%20Final.pdf
<p>** NOTE: RUIA taxes on employers expand and contract based on utilization of the RUI system. Part of the tax calculation is based on a railroad employers individual "experience rating" - a calculation of how much they utilize RUI. This rate varies from the minimum of 0.65% to a maximum 12% based on the employer's experience rating. The tax is also based on a 5 year average of the company's utilization of RUI, and is a measure of their usage versus their remaining compensation base. Furthermore, the application of the tax is capped at ~\$20k per employee, lowering the taxable base. Our calculations are based on a 5-year impact to Amtrak's experience rate tax, derived from acquired knowledge of another large railroad that recently experienced similar furlough trends.</p>	
<p>*** NOTE: Rail labor estimates that, on average, employees that retain their health insurance after being furloughed increase their utilization by 8% during their remaining covered period. This is based on previous experiences with groups of furloughed members. This is also backed up by a National Institute of Health (NIH) study that looked at the healthcare utilization of workers at plants where furloughs had been announced during the Great Recession (https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4874827/): "In particular, it suggests an increase in overall utilization concerning for "hoarding" of health care or worsening health, but a relative decrease in outpatient care and increase in emergency care among those at high-layoff plants. The latter results confirm findings from the previous literature that suggest foregone preventive care among employed individuals during economic downturns with potentially negative long-term health consequences. This study suggests that the health and social impacts of increased job insecurity experienced by workers during the recent recession may still emerge even as the economy improves."</p>	



A bold voice for transportation workers

July 28, 2020

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
H-232, The Capitol
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
H-204, The Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
S-230, The Capitol
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader
United States Senate
S-221, The Capitol
Washington, DC 20510

Dear Speaker Pelosi, Leader McConnell, Leader McCarthy, and Leader Schumer:

As Congress continues to negotiate the terms of its next COVID-19 relief package, we call on you to include emergency supplemental funding to preserve Amtrak, the critical services it provides, and the livelihoods of its employees. Similar to other modes of passenger transportation, Amtrak has seen ridership fall as much as 95% on certain routes over the course of the pandemic. In response, Congress wisely provided critical financial assistance to the carrier through the CARES Act.

Unfortunately, the ongoing impacts of the pandemic have denied Amtrak the revenue it requires to operate a national intercity passenger rail service and continued financial assistance is necessary. Without additional support, the viability of Amtrak is unequivocally at risk. To this end, we request that Congress include \$4.5 billion in supplementary funding in its next COVID relief package. These funds will allow Amtrak to remain operational, to keep its dedicated workforce connected to wages and benefits like healthcare, and prevent the need for disastrous service cuts on the National Network.

The result of not providing this level of funding will be dire. [The most recent request presented by Amtrak is deeply insufficient](#), and by its own admission its plan will send thousands of employees, up to 20% of its workforce, to the unemployment lines beginning on October 1. Further, this plan would reduce the frequency of many of Amtrak's long distance routes from daily to three times a week. These routes serve small towns and rural communities who depend on the daily service Amtrak provides and will not operate on full schedules without financial support and the workforce required to operate them.

Transportation Trades Department, AFL-CIO

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Larry I. Willis, President / Greg Regan, Secretary-Treasurer

Further, while we strongly support continued assistance for Amtrak, it is critical that these funds are used to benefit Amtrak's employees and the travelling public. We therefore urge that any supplementary funding provided to Amtrak be made contingent on prohibitions against using the funds to furlough employees or reduce service and route frequencies.

On behalf of Amtrak's workforce, we call on you to take decisive action to protect Amtrak workers, and the integrity of the service they provide, to overcome the current crisis and safeguard the future of intercity passenger rail service, and we thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Larry I. Willis". The signature is written in a cursive, flowing style.

Larry I. Willis
President

[Attachment C]

Rail Labor Division



May 4, 2020

The Honorable Mitch McConnell
U.S. Senate
317 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Nancy Pelosi
U.S. House of Representatives
1236 Longworth House Office Building
Washington, D.C. 20515

The Honorable Chuck Schumer
U.S. Senate
322 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Kevin McCarthy
U.S. House of Representatives
2468 Rayburn House Office Building
Washington, D.C. 20515

Dear Majority Leader McConnell, Speaker Pelosi, Minority Leader Schumer, and Minority Leader McCarthy:

On behalf of the Rail Labor Division of the Transportation Trades Department, AFL-CIO, the American Short Line and Regional Railroad Association, the Association of American Railroads, and the Teamsters Rail Conference, we thank the U.S. House of Representatives and U.S. Senate for passage of the CARES Act. We are especially appreciative of your efforts to ensure that railroad workers, through Railroad Unemployment Insurance Act (RUIA) enhancements, were provided similar protections and benefits as other hardworking Americans during this pandemic.

As Congress considers additional legislative packages to address the ongoing COVID-19 crisis, we urge you to continue providing parity in unemployment and sickness benefits for railroad workers. Additionally, continued investment in the Railroad Retirement Board (RRB) is critical to ensure RUIA benefits and protections can be delivered in an expeditious manner during this extraordinary time. Specifically, we respectfully request:

- An additional \$11.5 million in administrative funds to support the Agency as it continues in this expanded telework posture to aid in the move toward paperless processing, self-service portals, and other critical IT enhancements; and
- The removal of RUIA from the effects of sequester, which causes an artificial reduction in unemployment benefits, below statutorily provided amounts. This would not result in an adverse impact on the federal budget. State-administered UI programs are not subject to this reduction.

Your continued support for the men and women who are on the frontlines moving America's essential goods is greatly appreciated. Thank you for your consideration of these important requests.