

An Injury To One Is An Injury To All

AN APPEAL TO REASON



Newsletter of the Pennsylvania Federation BMWED

February 2016

Amtrak President Joe Boardman Announces Retirement

Good Riddance!!!

Joe Boardman, a career politician, came to Amtrak as the President and Chief Executive Officer on November 26, 2008. To the great relief of all those who value a vibrant and functioning Amtrak, he has announced his retirement effective September 2016. Prior to assuming his \$350,000.00 per year job at Amtrak, he was appointed by former President Bush as Administrator of the Federal Railroad Administration where his performance can only be described as lackluster.

During his tenure there has been a systematic purging from the railroad of anyone who has any knowledge about how to operate or maintain a railroad. This has resulted in the top management positions of the company being filled by individuals who do not have railroad operational or maintenance experience. While enjoying his six figure salary he has issued "employee advisories" stating the need for the employees to take wage cuts, benefit cuts and other reductions in compensation. Channeling his Republican colleague from Wisconsin, Governor Scott Walker, he unilaterally eliminated pension benefits for his management team, drastically cut their health benefits and embarked on a reign of terror where he fired managers without any due process. This has caused the remaining competent managers to leave the railroad in droves and has made it difficult to hire anyone to manage the railroad who is competent and has experience.

Jed Dodd, General Chairman of the BMWED Union stated,

“The fact that the trains run at all under Boardman’s leadership is nothing short of a miracle. It is a testament to the hard working career railroad employees at Amtrak who must perform their jobs against enormous odds imposed by a management which consists of politicians and posers devoid of practical and competent leadership.”

Boardman’s policies have had a terrible toll.

Employee Injuries Have Doubled Under His Tenure

In 2008, when Joe Boardman assumed control, the FRA reportable injury rate in the engineering department was a respectable 1.7 with a total of 66 reportable injuries. Under his leadership this figure has risen to an FRA reportable rate of 4.03 and a total of 173 reportable injuries. Employee injuries in the engineering department have more than doubled since he assumed his post as President. It was during this period that he abandoned a labor/management safety program that had impressive results and imposed a management led “safe to safer” program based entirely on employee behavior. This was a program that Amtrak purchased from “safety consultants” for 80 million dollars. Joe Boardman had established a relationship with these “safety consultants”, and their very expensive but failed programs, when he was former President Bush’s FRA Administrator.

Passenger Fatalities More Than Double and Passenger Injuries Skyrocket under Joe Boardman

Passengers have not fared any better under Joe Boardman than the employees. In the seven year period under his leadership (2009-2016) there were 32 passenger fatalities. In contrast, during the seven year period prior to his assuming office there were 12 passenger fatalities. The same trend can be seen for passenger injuries. Under Joe Boardman there were 5,350 passenger injuries as opposed to 3,517 in the seven years prior to his service.

Remarkable Loss of Commuter Operations Boardman Shrinks the Business

While Joe Boardman and his team of neoliberal senior managers fiddled as

employee and passenger injuries skyrocketed, the business end of the railroad also saw its own share of devastation. Under his leadership the Amtrak team lost the following contracts: Joint Powers Board - Caltrain (SF Bay area); Virginia Railway Express; and MARC service. These contracts were lost because of managerial indifference, arrogance or gross negligence. In one case Amtrak actually missed the deadline for bidding for the work. In every one of these cases the actual workers were retained by the new entity with the same or better wages, benefits and work rules and successfully operated.

While some pundits have noted that Amtrak experienced record ridership under Joe Boardman's tenure, this increased ridership can be traced to decisions by prior management teams who invested in the future of Amtrak with the purchase of the Acela line. One industry insider who asked not to be named said that Joe Boardman's lack of leadership and vision has failed to position Amtrak for the future.

Continuous Attack on the Unionized Employees

Joe Boardman and his management team may not know how to operate and maintain a railroad efficiently and safely, but they do work overtime at putting the screws to the employees. They put a strategy together in the last bargaining round that saw Amtrak's unionized employees paid 3 percent less (less for BMW and BRS) than their counterparts on the freight railroads. This is despite the fact that Amtrak employees work under the most demanding conditions of any railroad, live in the area of the country with the highest cost of living and perform identical work to commuter railroad employees who are paid more. This round of bargaining he is attempting to double down on this success and has demanded that employees accept conditions that will significantly reduce income and job security.

Congress Recognizes the Failed Leadership of Joe Boardman

In a letter to the Amtrak Board Bill Shuster, Chairman of the House Transportation and Infrastructure Committee, urged the Board to seek a new president for Amtrak with the "necessary vision and management skills to successfully implement new reforms and improve Amtrak's performance." He noted that new transportation legislation includes a five year reauthorization for Amtrak, but also seeks to ensure that Amtrak provide better service to customers and state partners and begin to address the state of good repair backlog along the Northeast Corridor. The letter states, "Securing these reforms was a victory, but Amtrak needs the right leader to use these tools to make progress on the significant infrastructure, operational, and organizational challenges the railroad faces ... we urge the Board to search for a dynamic leader who has the vision and management strength necessary to successfully implement the [legislation]."

In December 2015 Amtrak invoked the services of the National Mediation Board (NMB) to further delay and obstruct the speedy resolution of the contract dispute. The following letter was sent to the NMB from the Union bargaining coalition to describe the current status of bargaining.

Passenger Rail Labor Bargaining Coalition

**421 North Seventh Street
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overnight mail to NMB Board Members and
email to the NMB ombudsman at brown@nmb.gov

February 16, 2016

National Mediation Board
Chairman Geale
Member Hoglander
Member Pachala
1301 K. St. NW, Suite 250 East,
Washington, DC 20005-7011

Dear Chairman Geale, Member Hoglander and Member Puchala:

The Passenger Rail Labor Bargaining Coalition ("PRLBC"), which is composed of the Brotherhood of Maintenance of Way Employees Division/IBT and the Brotherhood of Railroad Signalmen, is currently in mediation with Amtrak. We reached this point because Amtrak sought drastic and unprecedented concessions in health benefits from its Maintenance of Way and Signal employees, offered essentially flat wages for the next several years and proposed work rules changes that have been repeatedly rejected.

PRLBC and Amtrak served Section 6 notices in early 2015 and met for negotiations in the Spring. In June there was a negotiating session with many attendees where Amtrak offered its health benefits and compensation proposals. Amtrak's team was led by Amtrak Executive Vice President/Chief "Human Capital" officer Barry Melnkovic (it is hard to imagine a job title more insulting to the human beings who provide their skills in all kinds of weather and circumstances to keep Amtrak trains running, and who do so at significant risk to their physical well being).

We were told that Amtrak required major concessions from its workers even though ridership and revenue were up. Mr. Melnkovic said that Amtrak had to cut costs because of competitive threats to service on Amtrak's "state supported" routes, even though 90% or more of BMWED and BRS represented Amtrak employees work on the Northeast Corridor and are not involved in state supported route service. We were presented with system-wide projections for revenue and costs that allegedly justified Amtrak's demand for concessions, although the net operating revenue picture for the NEC is substantially stronger than for the system as a whole, with ridership and revenue consistently increasing. Mr. Melnkovic complained that Amtrak had lost various commuter rail contracts because of its cost structure. But those contracts were lost as a result of Amtrak's indifference, bidding incompetence and alienation of the commuter rail

agencies; and not due to the wages, benefits and work rules applicable to Amtrak's employees (which were actually assumed by the replacement operators).

Amtrak then presented its proposals. Amtrak sought major concessions on health benefits even though Amtrak's Maintenance of Way employees and Signalmen represented employees had significant concessions imposed in health care in the arbitrated settlement of the last round of negotiations. The health benefits changes sought by Amtrak would result in a Plan that is significantly below what is traditionally provided to Amtrak and freight railroad workers, and far less protective of employees and their families than plans covering Maintenance of Way employees and Signalmen working for the commuter railroads on the Northeast Corridor. Amtrak's compensation proposal called for a mix of general wage increases that would barely exceed cost of living increases in some years and lump sum payments in others, even though compensation for the two crafts on Amtrak lags significantly behind wages for commuter rail workers in the Northeast Corridor who perform similar work, but are not responsible for maintaining the only high speed rail corridor in the Country that runs on decades old infrastructure. In subsequent negotiations Amtrak never engaged on wages; and when asked its position on comparability to the commuter railroads in the Northeast it did not even attempt to refute our economist's showing that Amtrak employees lag far behind Signal and Maintenance of Way workers for the commuter railroads and did not respond to our proposal that would not even equalize the rates of compensation. As for work rules, Amtrak's offered stale proposals that were rejected in prior bargaining and by prior Presidential Emergency Boards; and the rules Amtrak wants to change are not the cause of the problems Amtrak claims the proposed changes would fix.

Because of the dramatic changes in health care proposed by Amtrak we retained our own health benefits consultants to independently assess Amtrak's proposal and the cost projections of its consultants on which it was based. However, after requiring our consultants to sign a Confidentiality Agreement so they could receive information they requested (which was similar to information the Class I railroads have provided in national bargaining), Amtrak provided only heavily redacted reports that were essentially useless. We urged Amtrak to either provide the necessary information, or withdraw its proposal. When Amtrak again refused to provide the information the PRLBC terminated conferences and Amtrak invoked mediation on December 14, 2015. Amtrak has now provided additional information but the new data is glaringly insufficient for our consultants to advise us on the health benefits proposal.

In the time since Amtrak invoked mediation, Amtrak President Boardman issued a "special employee advisory" (dated February 9, 2016) raising an alarm about reduced ridership and revenues; asserting that these declines began in 2015. According to Mr. Boardman, these trends justify various austerity measures, require sacrifices by Amtrak employees and necessitate a delay in hiring of new employees, even though Amtrak is already understaffed (particularly for Maintenance of Way and Signal workers), and Amtrak is steadily losing experienced employees to retirement. But this alarm comes just two months after Amtrak issued a press release titled "Amtrak Ridership and Ticket Revenue Steady in Fiscal Year 2015" which noted that both were a mere 0.1% below the prior year --Amtrak's peak year for revenue. In fact, a January 2016 Government Accountability Office report showed year over year increases in revenue in every year between 2009 and 2014; consistent increases revenue and ridership on the NEC over that period; and dramatically increased operating contributions for the NEC over that period. Based on a scant

two months data running counter to a five year trend, Mr. Boardman cited the current fluctuation in gas prices as the beginning of a long term problem that supposedly imperils Amtrak. Besides the inconsistent pronouncements and absence of foundation for his claims, Mr. Boardman completely ignored the impact on ridership of safety concerns and reliability issues due to the condition of the NEC as a result of inadequate infrastructure maintenance and investment. And, despite the troubling state of that infrastructure, Amtrak will now delay hiring new employees when the track and signal maintenance needs of the system are increasing. Mr. Boardman says he is committed to transparency and purports to be a truth-teller. But he is neither. The truth is that Amtrak has to run a 21st Century operation on early 20th Century infrastructure that is long overdue for replacement and upgrades that requires a high degree maintenance, and many of its trains use mid 20th Century equipment. Rather than tell this truth, Mr. Boardman and Mr. Melnkovic want Amtrak's employees whose skills and dedication keep the trains running to sacrifice more and to effectively subsidize the service by providing their skills and labor for less overall compensation.

In the face of a number of years of consistently improving operating ratios on the Northeast Corridor where over 90% of Amtrak Maintenance of Way employees and Signal workers are employed, and even though the compensation and benefits for Amtrak Signalmen and Maintenance of way employees are below those of their brothers and sisters on the commuter railroads, Amtrak has offered flat wages, sought dramatic health benefits concessions that would result in a plan substantially inferior to industry standards and proposed previously rejected changes to work rules to remedy alleged problems not caused by the existing work rules. The purported reason for the proposals is to address competition and operating loss concerns off-the-corridor where over 90% of Amtrak Maintenance of Way employees and Signalmen are not employed. And in making these proposals, Amtrak has utterly failed to acknowledge or account for the actions of Congress and Amtrak management that have substantially caused the problems Amtrak says it is trying to address by its proposals. We consider this entire course of dealing with the PRLBC to be in bad faith and contrary to the requirements of Section 2 First of the Railway Labor Act.

Yours truly,

Jed Dodd, General Chairman BMWED-IBT
Co-Chairman Passenger Rail Labor
Bargaining Coalition

Dave Ingersoll, General Chairman BRS
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