

BMWED LEGISLATIVE ISSUES – 111TH CONGRESS

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HEALTH CARE REFORM

In the last issue of the *Journal* we reported we were awaiting Senate action on its version of health insurance reform. Unfortunately, the final version passed by the Senate still includes taxing employer-sponsored health plans. Following passage of the Senate Bill, the Democratic majorities in the House and Senate began working to strike a compromise between the House and Senate versions.

On January 11, 2010, President Simpson sent a very strongly worded letter to Speaker Nancy Pelosi outlining the BMWED's opposition to the Senate excise tax. A compromise excise tax was announced on January 14, 2010. The compromise is designed to reduce the impact on employer-sponsored health plans. The BMWED and the rest of Labor have been attempting to learn as much as possible about the compromise in order to determine support or opposition of the final package.

The focus on health care dramatically shifted following the election of Massachusetts Republican Scott P. Brown on January 19, 2010. Senator Elect Brown (R) will be filling the position that was held by Senator Edward M. Kennedy (D) prior to his death. Senator elect Brown has vowed to provide the GOP with the 41st vote necessary to sustain filibusters against legislation being advanced by the Democrats.

With the urging of the President, the Democratic Leadership in the House and Senate are working on a strategy to move health reform forward. Speaker Pelosi and other House members have repeatedly stated that the House Democrats will not support reform that includes the Senate excise tax. We are awaiting the Democrats decision as to how they intend to proceed.

HIGH-SPEED RAIL

In a series of meetings across the country, including one in Tampa, Florida attended by President Obama and Vice President Biden, the Federal Railroad Administration announced the grant recipients for the \$8 billion ARRA funding for thirteen high-speed and inter-city passenger projects. Please refer to the "President's Perspective" for more details on these awards.

FISCAL YEAR 2011 FEDERAL BUDGET

As required by law, the Obama Administration submitted its budget proposal on February 1, 2010 for Fiscal Year 2011, October 1, 2010 – September 30, 2011. Several components of the budget are of interest to the BMWED.

AMTRAK

Amtrak management submitted a budget request for \$592 million for operations and \$1.5 billion in capital expenditures for FY2011. The Administration's request is for \$563 million for operations and \$1.05 billion for capex. Amtrak management has requested and Rail Labor has agreed to assist in obtaining the funding levels requested.

On the positive side, Amtrak will benefit from the ARRA grants. Approximately \$4.5 billion of the \$8 billion in awards are for state projects that support 13 current and future Amtrak routes. Amtrak will be the service provider for most of the awards.

In addition, the Amtrak owned Northeast Corridor (NEC) will benefit from nearly \$500 million in state-led improvements from ARRA grants. With nearly \$700 million Amtrak is investing in the NEC, this will be the largest upgrade program for the NEC in more than a decade.

Amtrak is expected to announce very soon a plan to replace and expand the existing aged fleet of locomotives and passenger railcars. Amtrak management contemplates a 30 year plan involving more than 100 locomotives and several hundred single and bi-level long-distance passenger railcars. These purchases will be designed to revitalize American rail manufacturing and create new jobs.

FEDERAL RAILROAD ADMINISTRATION

A total of \$2.9 billion has been requested to support the FRA and Amtrak. Included is \$1 billion for High Speed Rail and \$1.6 billion for Amtrak, of which \$281 million will be used to fully fund Amtrak's Americans with Disabilities Act FY2011 capital plan. The FRA's safety and operating programs will receive \$244 million and \$4.5 million will be for hiring 31 staffing positions.

FEDERAL TRANSIT ADMINISTRATION

The transportation budget includes \$1.8 billion for 27 major transit projects. Nineteen new projects will receive \$834.6 million and \$924.6 million is for the continued funding of 8 projects under construction.

Transit safety will be emphasized by the Department of Transportation through the appropriation of \$30 million which will include 130 new positions at FTA intended to strengthen safety oversight.

NATIONAL MEDIATION BOARD

The request for salaries and expenses is \$13,772,000 for FY2011. This is \$309,000 more than the FY 2009 budget and the 2009 budget was \$471,000 greater than for 2008. This additional funding has enabled the NMB to reduce the case backlog and the average time required to dispose of cases.

SURFACE TRANSPORTATION BOARD

The President's plan requests \$26 million to be financed by appropriations and collection of user fees. This represents a decrease of \$3 million from the FY 2010 budget.

STATE LEGISLATIVE ACTIVITIES

On January 4, 2010 Indiana State Legislative Director Jeff Bainter and Assistant Director Tom Cartwright introduced legislation in both the House and Senate that identifies Maintenance of Way track equipment as a potential danger at railroad grade crossings. The proposed legislation also requires vehicular traffic to yield to maintenance equipment in the same manner as for trains. Existing state code related to crossings with passive protection (cross bucks only) provides that vehicles approaching a railroad crossing shall stop within 15 feet but not more than 50 feet of the crossing and shall not proceed unless it is seen to be free of dangers.

The House version H 1148 has yet to be heard but SB 73 has moved over to the House after being passed unanimously by senate committee and floor votes. Brother Cartwright has taken the lead in this endeavor. The crossing/maintenance equipment legislation was merged by amendment into another railroad labor bill protecting flagmen at railroad crossings. Also involved in the effort is our Rail Conference partner, The Brotherhood of Locomotive Engineers and Trainmen. BLET State Legislative Chairman Bill Verdeyen has proven invaluable to the process. The UTU, CSX and NS have provided additional support of the legislation.

Camp Car legislation has been introduced and heard by the respective Virginia, Tennessee and Ohio Senate committees and we are awaiting future action. Virginia State Legislative Director Greg Marston has worked very hard in guiding passage of the legislation by a party line vote of Senate Labor Committee. An identical bill failed in the same committee last session. Greg quotes Winston Churchill on the value of never giving up and the advice is certainly paying off for BMWED. Tennessee State Legislative Director Sam Alexander reports passage out of committee and is working on a technical change that would remove an errant fiscal attachment. Ohio Assistant Director Perry Geller Jr. and former NKP, W&LE Vice General Chairman Tom Mulford were successful in getting Sponsor testimony heard in the Senate Labor Committee. The next step in the process is for Public Testimony.

Camp Car Legislation has also been introduced In Pennsylvania by State Legislative Director Bill Manning. The Bill is currently awaiting a committee hearing. The BMWED is also participating in and monitoring the Pennsylvania Public Utilities Commission review of existing railroad transportation regulations which began in December 2009.