

'Look Ma, No Trains Or Planes' in U.S.

by Anita Gallagher

Air and rail transportation in the United States is headed for a place in history, unless emergency measures of protection are taken by the President and Congress during the June-July window for Congressional action. The near-dead condition of the air and rail transport sectors also shows that the post-Sept. 11 talk by President Bush and Congress, about national economic, as well as military security was hot air. "If it won't transport the troops to Iraq, throw it to Wall Street or shut it down," sums up current Washington "thinking." The Bush Administration is even now mooting turning the vital air traffic control function over to private ownership.

U.S. Airways, America's sixth-largest airline reportedly near bankruptcy after losing \$2.1 billion in 2001 and \$269 million in first quarter 2002, officially filed for a \$900 million loan guarantee with the Air Transportation Stabilization Board (ATSB) on June 10. Reductions in labor costs (union givebacks), cost-cutting measures, and possible partial government ownership are requirements for the guarantees.

Sources say that U.S. Airways would have to cut labor costs by \$750 million a year, on top of the 11,000 jobs that have already been cut, to achieve the \$1.3 billion cost reduction it is seeking. The demise of the Arlington, Virginia-based airline would blow another hole in the free-falling "high-tech" economy of Northern Virginia.

United Airlines, America's largest airline, is also indicating it may apply to the ATSB before its loan-guarantee window goes out of existence on June 28. United lost a record \$2.1 billion in 2001, and another \$510 billion in the first quarter of this year, after cutting its workforce and flights by 20% in the wake of Sept. 11. However, as *EIR* readers know, the losses in the airline industry began early in 2001—not after Sept. 11.

United Airlines has released a "Recovery Plan" which calls for 10% givebacks by the International Association of Machinists and Aerospace Workers, on contracts ratified only weeks or months ago. United and its pilots union supposedly reached a tentative agreement on a "givebacks" deal, which its 9,200 pilots must now vote on.

United may apply for loans without the labor concessions from all employee groups, as U.S. Airways did, then use the ATSB as leverage to force them later. The International Association of Machinists union representing United's machinists, ramp, warehouse, and other workers—in the interest of refusing "givebacks"—has taken the reality-defying position that there is no depression and the airline industry is recovering on its own. What the labor movement needs, in fact, is a

political strategy, and Lyndon LaRouche's leadership idea to put these firms through Chapter 11, and use government credit to keep and improve transportation and other infrastructure.

Eat Cake, While Amtrak Closes?

Meanwhile, in the decrepit rail sector, things have come to the pass where Amtrak's new president as of June 10, David Gunn—after first announcing impending layoffs—stated that if the nation's passenger railroad corporation does not get a loan of at least \$200 million by the end of June, he will be forced to begin an orderly shutdown of all Amtrak passenger service in July. Amtrak's auditors have not certified it as a "going concern," which makes it virtually impossible for it to get a bank loan. While Congress tries to decide whether to guarantee a loan to keep Amtrak operating to Oct. 1, and also considers various legislation for increased funding, Secretary of Transportation Norman Mineta said on June 20 that the administration opposes any increased funding for Amtrak unless it is linked to "reforms"—i.e., privatization. It is widely reported that the Bush Administration wants train operations run by private companies, and separated infrastructure maintenance done by Amtrak as a (shrunken) public company. This was the rotten model which even Britain abandoned recently, and re-nationalized. It is championed by neo-conservative Paul Weyrich, a leader of the Amtrak Reform Council, which led the charge against "money-losing" Amtrak.

In the current American system, the *Richmond Times-Dispatch* recently reported, "high-speed rail" is simply a phrase for improving the number of trains and their reliability. While speeds could increase markedly, the fact that the tracks are shared with freight trains simply will not allow the 200 mph "bullet trains" of Europe and Japan.

First Maglev on Track

The train car for what will be the first operational magnetic levitation (maglev) train in the United States was put on the tracks at Virginia's Old Dominion University in Norfolk on June 13, and will be operational by September. Maglev uses magnets and electricity to float and propel trains along elevated tracks. ODU's maglev is a modest beginning. The train guideway—elevated 13 feet above a sidewalk—and 400 of the 900 feet of track have been laid to carry passengers across the campus. The Virginia General Assembly allocated \$7 million for the project, and private donations matched that amount. Legislators said maglev could be the answer to many of the state's transportation problems. Tony Morris, president of American Maglev Technology, Inc., developed the project, and says this design could achieve 300 mph in passenger travel.