



March 25, 2021

Co-Sponsor S.545, the Railroad Employee Equality and Fairness (REEF) Act, to End Sequestration on Unemployment and Sickness Benefits

Dear Senator:

We, the undersigned, write in support of the Railroad Unemployment Equity and Fairness Act (REEF Act), S. 545, introduced by Senators Rob Portman (R-OH), Sherrod Brown (D-OH), Amy Klobuchar (D-MN), and Deb Fischer (R-NE). This bipartisan bill would eliminate the legacy sequester on railroad unemployment and sickness benefits that has unfairly short-changed railroad workers and their families for nearly a decade.

The Railroad Retirement Board (RRB) is an independent agency that administers disability, retirement, survivor, unemployment, and sickness insurance benefits to over 730,000 beneficiaries who live in every state and congressional district across the United States. These benefits are funded solely by employee and employer payroll taxes, not federal or state sources. However, as a result of the Budget Control Act of 2011, and a subsequent sequestration order to implement mandated spending cuts, railroad unemployment and sickness benefits are typically reduced each year by almost six percent. Similar sequestration cuts are not applied to traditional state unemployment insurance benefits. As a result, unlike all other workers who qualify for unemployment insurance, railroaders who have become unemployed, sick, or are caring for a sick family member are subjected to reduced benefits. While the last two COVID-19 relief packages recently passed by Congress have temporarily suspended sequestration of these benefits, that relief will sunset once federal extended unemployment COVID benefits expire.

The REEF Act would end this arbitrary reduction that has unfairly shortchanged railroaders and their families that are depending on these benefits. Like every other industry, rail has been greatly impacted by the global COVID-19 pandemic. In fact, the RRB has seen more than a three-fold surge in sickness and unemployment applications and claims. In fiscal year (FY) 2020, the agency received over 234,000 unemployment claims compared to 70,000 in FY 2019.

We urge you to cosponsor S. 545, the Railroad Unemployment Equity and Fairness Act, to ensure that railroad workers and their families receive the full unemployment and sickness benefits to which they are entitled.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Baker', with a stylized flourish at the end.

Chuck Baker
President
American Short Line and Regional Railroad Association

A handwritten signature in blue ink, appearing to read 'Ian Jeffries', with a stylized flourish at the end.

Ian Jeffries
President and CEO
Association of American Railroads

A handwritten signature in black ink, appearing to read 'Dennis Pierce', with a stylized flourish at the end.

Dennis Pierce
President
Rail Conference, International Brotherhood of Teamster

A handwritten signature in black ink, appearing to read 'Greg Regan', with a stylized flourish at the end.

Greg Regan
President
Transportation Trades Department, AFL-CIO