



June 28, 2023

Support the REEF Act

Dear Senator:

As representatives of the freight and passenger railroad industry and the highly-trained, hardworking railroad workforce, we urge you to support the swift passage of H.R.2785/S.1274, the Railroad Employee Equity and Fairness Act (REEF Act). This common-sense, bipartisan bill would eliminate sequester cuts to railroad unemployment and sickness benefits that have unfairly short-changed railroad workers and their families for over a decade.

Railroad workers play a critical role in keeping the passenger and freight rail network safe and our economy moving. They deserve to access the full value of the benefits they have earned. Currently, Railroad Unemployment Insurance Act (RUIA) benefits are the only federal unemployment insurance and sickness benefits program subject to sequestration. Every other American's unemployment, disability, or sickness benefits are not subject to the same cuts.

While we were pleased Congress took steps to eliminate this unnecessary hardship during the COVID-19 National Emergency, that relief has since ended, resulting in the resumption of budget sequestration. Railroad workers who receive temporary unemployment and sickness benefits saw a 5.7 percent cut to their benefit payments starting May 10, 2023. Railroaders who rely on RUIA benefits receive a flat rate of \$85 per day, meaning workers now lose over \$48 per two-week benefit period from an already modest stipend. Without Congressional intervention, outdated sequestration will continue to unfairly penalize these workers through Fiscal Year 2030.

Keeping this unfair sequestration in place would do nothing to shrink the federal deficit or curb the spending of federal funds collected from ordinary taxpayers because the railroad unemployment and sickness insurance system is entirely funded by the railroad industry. Special payroll taxes and surcharges applied only to railroads pay into the system's trust fund and automatically adjust to cover surges in demand and avoid shortfalls. There is no taxpayer funding of these benefits and therefore no impact on the federal deficit from subjecting RUIA benefits to sequestration cuts.

Continuing to cut these lifeline unemployment and sickness benefits is arbitrary and unfairly targets hardworking railroaders, who are the only American workers subject to these cuts. We urge Congress to act quickly to pass H.R. 2785/S.1274 to enact this long overdue and common-sense reform.

Sincerely,

American Short Line and Regional Railroad Association

Association of American Railroads

International Brotherhood of Teamsters

Transportation Trades Department, AFL-CIO