July 31, 2023

The Honorable Patty Murray
Chair
Committee on Appropriations
United States Senate
Washington DC 20510

The Honorable Susan Collins
Vice Chair
Committee on Appropriations
United States Senate
Washington DC 20510

The Honorable Kay Granger
Chairwoman
Committee on Appropriations
United States House of Representatives
Washington, DC 20515

The Honorable Rosa DeLauro
Ranking Member
Committee on Appropriations
United States House of Representatives
Washington, DC 20515

Dear Chair Murray, Vice Chair Collins, Chairwoman Granger, and Ranking Member DeLauro:

On behalf of the Association of American Railroads (AAR), the American Short Line and Regional Railroad Association (ASLRRA), and the Transportation Trades Department, AFL-CIO (TTD), we write to express our strong opposition to the limitation on administrative funding for the Railroad Retirement Board (RRB) included in the fiscal year (FY) 2024 House Labor, Health and Human Services, Education, and Related Agencies (Labor-HHS) appropriations bill and to urge you to adopt the limitation included in the FY 24 Senate Labor-HHS bill.

As passed by the House Labor-HHS Subcommittee on July 14, 2023, the House FY 24 bill would cap RRB's administrative funding at $103 million, a $25 million decrease from FY 23 funding, which is maintained in the Senate FY 24 bill, and over $35 million below the President's FY 24 Budget Request. This limitation would severely impact the ability of the RRB to process retirements and sickness benefits for railroad employees and retirees living in every state and every congressional district. At this funding level, RRB would be forced to <u>cut approximately 23 percent of its current workforce</u>, dramatically slowing down processing times and service for beneficiaries. This funding limitation comes at a time when RRB is in dire need of more employees and has consistently asked Congress to increase the administrative funding limitation to better meet the needs of the over 530,000 beneficiaries currently served by RRB.

This new limitation is especially troubling because, though it was included under the guise of lowering federal spending, it does not cut spending at all. The overwhelming majority of funding for the RRB, including the administrative funding capped by this bill, comes from payroll taxes paid by railroad employers and railroad employees. No other taxpayers or businesses pay into the fund, and the RRB does not receive any funding from the U.S. Treasury. Therefore, caps on RRB spending do not reduce the deficit or slow federal spending. Further, this limitation on funding would not reduce the amount of money paid into the fund by railroads or railroad workers. All this limitation will do is force RRB to cut staff and reduce service to hard-working railroad employees and retirees.

We urge you to remove this draconian limit on RRB's administrative funding and support the limitation in the Senate bill, which maintains FY 23 funding levels and allows the agency to maintain its current employment levels and continue providing strong service to the over 530,000 beneficiaries currently served by the employees as well as 200,000 active railroad employees relying on these benefits in the future.

Sincerely,

Ian Jefferies
President and CEO
Association of American Railroads

Chuck Baker
President
American Short Line and Regional Railroad Association

Greg Regan
President
Transportation Trades Department, AFL-CIO