

Senator Sheldon Whitehouse
Chairman
Committee on the Budget
U.S. Senate
Washington, DC 20510

Senator Chuck Grassley
Ranking Member
Committee on the Budget
U.S. Senate
Washington, DC 20510

March 4, 2024

Rail Labor & Industry Urge Senate Budget Committee to Pass the REEF Act

Dear Chairman Whitehouse and Ranking Member Grassley:

As representatives of the freight and passenger railroad industry and the highly-trained, hardworking railroad workforce, we thank you for holding a markup of S.1274, the Railroad Employee Equity and Fairness Act (REEF Act), and urge you to vote yes on the legislation. 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 ended when the National Emergency was terminated on April 10, 2023, 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 \$87 per day, meaning workers now lose up to \$50 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 Without Congressional intervention, outdated sequestration will continue to unfairly penalize these workers through Fiscal Year 2030.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. That is why a bipartisan group of Senators, including Senator Braun, Senator Sanders, Senator Crapo, and Senator Marshall on this Committee, have all cosponsored this important piece of legislation. We urge the Senate Budget Committee to favorably report S.1274 so this long overdue and common-sense reform can advance.

Sincerely,

American Short Line and Regional Railroad Association

Association of American Railroads

International Brotherhood of Teamsters

Transportation Trades Department, AFL-CIO

National Railroad Passenger Corporation

CC: Senator Mike Braun
Senator Mike Crapo
Senator Lindsey Graham
Senator Ron Johnson
Senator Tim Kaine
Senator John Kennedy
Senator Mike Lee
Senator Ben Ray Lujan
Senator Roger Marshall
Senator Jeff Merkley

Senator Patty Murray
Senator Alex Padilla
Senator Mitt Romney
Senator Bernie Sanders
Senator Rick Scott
Senator Debbie Stabenow
Senator Chris Van Hollen
Senator Mark Warner
Senator Ron Wyden