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HEARING

BEFORE THE

COMMITTEE ON HUMAN RESOURCES

UNITED STATES SENATE

NINETY-FIFTH CONGRESS

FIRST SESSION

ON

CHARLES J. CHAMBERLAIN, OF ILLINOIS, TO BE A MEMBER
OF THE RAILROAD RETIREMENT BOARD

OCTOBER 6, 1977

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(II)



NOMINATION

THURSDAY, OCTOBER 6, 1977

U.S. SENATE,
COMMITTEE ON HUMAN RESOURCES,
Washington, D.C.

The committee met, pursuant to call, in room 4232, of the Dirksen Senate Office Building, at 9:23 a.m., Senator Harrison A. Williams, Jr. (Chairman), presiding.

Present: Senators Williams, Javits, and Hatch.

The CHAIRMAN. We will now turn to the nomination before us.

The next nominee to appear before the committee this morning is Mr. Charles J. Chamberlain, who has been nominated by the President to be the labor member of the Railroad Retirement Board to fill the unexpired term of Mr. Neil Spier who has resigned. The term will expire on August 28, 1979.

The Railroad Retirement Board administers retirement, unemployment and disability benefit programs established by Federal Law for the nation's railroad employees and their families.

Mr. Chamberlain has been associated with the railroad industry throughout his career. He has had a broad range of employment experiences which should enable him to make an important contribution to the Board's work.

For 18 years Mr. Chamberlain served as an employee of the Chicago and North Western Railroad. He has also held various positions of leadership with the Brotherhood of Railroad Signalmen.

Since 1970 he has served as the elected chairman of the Railway Labor Executives' Association. The association, whose members are the legally designated representatives of approximately 95 percent of America's railroad employees, has enthusiastically recommended his appointment to the Railroad Retirement Board.

I am hopeful that a man of Mr. Chamberlain's experience and qualifications will bring a fresh perspective to the problems faced by the Board.

At this time, I will enter Mr. Chamberlain's biographical information and a description of the duties of the Railroad Retirement Board into the record. I will also include a letter endorsing his nomination which the Railway Labor Executives' Association has furnished the committee.

[The information referred to follows:]

(1)

CHARLES J. CHAMBERLAIN - 610 Jon Lane, Des Plaines, Illinois 60016

President: Brotherhood of Railroad Signalmen
601 W. Golf Road
Mt. Prospect, Illinois 60056

Chairman: Railway Labor Executives' Association
400 First Street, N.W.
Washington, D.C. 20001

Born August 7, 1921, Ashton, Illinois

Father Charles H. Chamberlain (Deceased)
Mother Katherine E. Chamberlain, DeKalb, Illinois

Family Status - Married Joyce Lois Swanson, DeKalb, Illinois 1942
Two Sons - Richard B. Chamberlain 32
Charles M. Chamberlain 27
Three Grandchildren

Graduated DeKalb Township High School 1938

Alderman, City Council, DeKalb, Illinois 1950 - 1958

Chairman, Fire Commission, City of DeKalb, 1954 - 1958

Member Immanuel Lutheran Church, Des Plaines, Illinois

Member B.P.O.E. Lodge 1526, Des Plaines, Illinois

Employment - Chicago and North Western Railroad:

October 13, 1938 - Assistant Signalman
1945 - Signalman
1946 - Leading Signalman
1950 - Signal Maintainer
1950 - 1956 - Signalman and Signal Maintainer

Brotherhood of Railroad Signalmen:

1941 - Recording Secretary, Local 108, C&NW
1945 - Local Chairman, Local 108, C&NW
1946 - Vice General Chairman, C&NW General Committee
1957 - Grand Lodge Representative, B. of R.S.
1961 - Grand Lodge Secretary-Treasurer, B. of R.S.
1967 - Grand Lodge President, B. of R.S.

Railway Labor Executives' Association - Elected Chairman - 1970

Railroad Industry Labor-Management Committee, Washington, D.C. 1972

Railroad Safety Research Board, Washington, D.C. 1975

High Speed Ground Transportation Advisory Committee - 1973 - 1975

[Excerpts from Public Law 93-445--October 16, 1974]

"POWERS AND DUTIES OF THE BOARD

"SEC. 7. (a) This Act shall be administered by the Railroad Retirement Board established by the Railroad Retirement Act of 1937 as an independent agency in the executive branch of the Government and composed of three members appointed by the President, by and with the advice and consent of the Senate. Each member shall hold office for a term of five years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of the term and any member holding office pursuant to appointment under the Railroad Retirement Act of 1937 when this Act becomes effective shall hold office until the term for which he was appointed under such Railroad Retirement Act of 1937 expires. One member shall be appointed from recommendations made by representatives of the employees and one member shall be appointed from recommendations made by representatives of employers as defined in paragraph (i) of section 1(a)(1) of this Act, in both cases as the President shall direct, so as to provide representation on the Board satisfactory to the largest number, respectively, of employees and employers concerned. One member, who shall be the chairman of the Board, shall be appointed without recommendation by either employers or employees and shall not be in the employment of or be pecuniarily or otherwise interested in any employer or organization of employees. Vacancies in the Board shall not impair the powers or affect the duties of the

45 USC 231f.

Membership.
Term of office.

Ante, p. 1305.

Vacancies.

Board or of the remaining members of the Board, of whom a majority of those in office shall constitute a quorum for the transaction of business. Upon the expiration of his term of office a member shall continue to serve until his successor is appointed and shall have qualified.

"(b) (1) The Board shall have and exercise all the duties and powers necessary to administer this Act. The Board shall take such steps as may be necessary to enforce such Act and make awards and certify payments. Decisions by the Board upon issues of law and fact relating to annuities or death benefits shall not be subject to review by any other administrative or accounting officer, agent, or employee of the United States.

"(2) In the case of—

"(A) an individual who will have completed ten years of service creditable under this Act,

"(B) the wife or husband of such an individual,

"(C) any survivor of such an individual if such survivor is entitled, or could upon application become entitled, to an annuity under section 2 of this Act, and

"(D) any other person entitled to benefits under title II of the Social Security Act on the basis of the wages and self-employment income of such an individual (except a survivor of such an individual where such individual did not have a current connection with the railroad industry at the time of his death),

the Board shall provide for the payment on behalf of the Managing Trustee of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund of monthly benefits payable under title II of the Social Security Act which are certified by the Secretary to it for payment under the provisions of title II of the Social Security Act.

"(3) If the Board finds that an applicant is entitled to an annuity or death benefit under the provisions of this Act then the Board shall make an award fixing the amount of the annuity or benefit, as the case may be, and shall certify the payment thereof as hereinafter provided; otherwise the application shall be denied. For purposes of this section, the Board shall have and exercise such of the powers, duties and remedies provided in subsections (a), (b), (d), and (n) of section 12 of the Railroad Unemployment Insurance Act as are not inconsistent with the express provisions of this Act. The Board is authorized to delegate to any member, officer, or employee of the Board any of the powers conferred upon the Board by the Act, excluding only the power to prescribe rules and regulations, including the power to make decisions on applications for annuities or other benefits: *Provided, however*, That any person aggrieved by a decision on his application for an annuity or other benefit shall have the right to appeal to the Board. Notice of a decision of the Board, or of an employee thereof, shall be communicated to the applicant in writing within thirty days after such decision shall have been made.

"(4) The Board shall from time to time certify to the Secretary of the Treasury the name and address of each individual entitled to receive a payment, the amount of such payment, and the time at which it should be made, and the Secretary of the Treasury through the Division of Disbursements of the Treasury Department, and prior to audit by the General Accounting Office, shall make payment in accordance with the certification by the Board.

"(5) The Board shall establish and promulgate rules and regulations to provide for the adjustment of all controversial matters arising in the administration of this Act. All rules, regulations, or decisions of the Board shall require the approval of at least two members, and they shall be entered upon the records of the Board, which shall be a public record.

Ante, p. 1312.

42 USC 401.

45 USC 362.

Rules and regulations.

October 16, 1974

- 35 -

Pub. Law 93-445

"(6) The Board shall gather, keep, compile, and publish in convenient form such records and data as may be necessary to assure proper administration of this Act, including subdivision (2) of this subsection. The Board shall have power to require all employers and employees and any officer, board, commission, or other agency of the United States to furnish such information and records as shall be necessary for the administration of this Act, including subdivision (2) of this subsection. The several district courts of the United States and the District Court of the United States for the District of Columbia shall have jurisdiction upon suit by the Board to compel obedience to any order of the Board issued pursuant to this section. The orders, writs, and processes of the District Court of the United States for the District of Columbia in such suits may run and be served anywhere in the United States. Witnesses summoned before the Board shall be paid the same fees and mileage that are paid witnesses in the district courts of the United States. The Board shall make an annual report to the President of the United States to be submitted to Congress.

"(7) The Secretary of Health, Education, and Welfare shall furnish the Board certified reports of wages, self-employment income, and periods of service and of other records in his possession, or which he may secure, pertinent to the administration of this Act. The Board shall furnish the Secretary of Health, Education, and Welfare certified reports of records of compensation and periods of service reported to it pursuant to section 9 of this Act, of determinations under section 2 of this Act, and of other records in its possession, or which it may secure, pertinent to subsection (c) of this section or to the administration of the Social Security Act as affected by section 18 of this Act. Such certified reports shall be conclusive in adjudication as to the matters covered therein: *Provided, however,* That if the Board or the Secretary of Health, Education, and Welfare receives evidence inconsistent with a certified report and the application involved is still in course of adjudication or otherwise open for such evidence such recertification of such report shall be made as, in the judgment of the Board or the Secretary of Health, Education, and Welfare, whichever made the original certification, the evidence warrants. Such recertification and any subsequent recertification shall be treated in the same manner and be subject to the same conditions as an original certification.

"(8) Any department or agency of the United States maintaining records of military service, at the request of the Board, shall certify to the Board, with respect to any individual, the number of months of military service which such department or agency finds the individual to have had during any period or periods with respect to which the Board's request is made, the date and manner of entry into such military service, and the conditions under which such service was continued. Any department or agency of the United States which is authorized to make awards of pensions, disability compensation, or any other gratuitous benefits or allowances payable, on a periodic basis or otherwise, under any other Act of Congress on the basis of military service, at the request of the Board, shall certify to the Board, with respect to any individual, the calendar months for all or part of which any such pension, compensation, benefit, or allowance is payable to, or with respect to, the individual, the amounts of any such pension, compensation, benefit, or allowance, and the military service on which such pension, compensation, benefit, or allowance is based. Any certification made pursuant to the provisions of this subdivision shall be conclusive on the Board: *Provided, however,* That if evidence inconsistent with any such certification is submitted, and the claim is in the course of adjudication or is otherwise open for such evidence, the Board shall refer such evidence to the department or agency which

88 STAT. 1340

Recordkeeping.

Jurisdiction.

Witness fees.

Report to President and Congress.
Reports.

42 USC 1305.

Military service records,
certification.

88 STAT. 1341

made the original certification and such department or agency shall make such recertification as in its judgment the evidence warrants. Such recertification, and any subsequent recertification, shall be conclusive, made in the same manner, and subject to the same conditions as an original certification.

Duties.

"(9) The Board shall maintain such offices, provide such equipment, furnishings, supplies, services, and facilities, and employ such individuals and provide for their compensation and expenses as may be necessary for the proper discharge of its functions. All positions to which such individuals are appointed, except one administrative assistant to each member of the Board, shall be in and under the competitive civil service and shall not be removed or exempted therefrom. In the employment of such individuals under the civil service laws and rules the Board shall give preference over all others to individuals who have had experience in railroad service, if, in the judgment of the Board, they possess the qualifications necessary for the proper discharge of the duties of the positions to which they are to be appointed. For purposes of its administration of this Act or the Railroad Unemployment Insurance Act, or both, the Board may place, without regard to the numerical limitations contained in section 505 of the Classification Act of 1949, as amended, four positions in grade GS-16 of the General Schedule established by that Act, four positions in grade GS-17 of such schedule, and one position in grade GS-18 of such schedule.

45 USC 367.

5 USC 5108.

5 USC 5332

note.

"(c) (1) Benefit payments determined by the Board to be payable under this Act shall be made from the Railroad Retirement Account, except that payments of supplemental annuities under section 2(b) of this Act shall be made from the Railroad Retirement Supplemental Account.

"(2) At the close of the fiscal year ending June 30, 1975, and each fiscal year thereafter, the Board and the Secretary of Health, Education, and Welfare shall determine the amounts, if any, which if added to or subtracted from the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Federal Hospital Insurance Trust Fund would place each such Trust Fund in the same position in which it would have been if (A) service as an employee after December 31, 1936, had been included in the term 'employment' as defined in the Social Security Act and in the Federal Insurance Contributions Act and (B) this Act had not been enacted. Such determination with respect to each such Trust Fund shall be made no later than June 15 following the close of the fiscal year. If, pursuant to any such determination, any amount is to be added to any such Trust Fund, the Board shall, within ten days after the determination, certify such amount to the Secretary of the Treasury for transfer from the Railroad Retirement Account to such Trust Fund. If, pursuant to any such determination, any amount is to be subtracted from any such Trust Fund, the Secretary of Health, Education, and Welfare shall, within ten days after the determination, certify such amount to the Secretary of the Treasury for transfer from such Trust Fund to the Railroad Retirement Account. Any amount so certified shall further include interest (at the rate determined in subdivision (3) for the fiscal year under consideration) payable from the close of such fiscal year until the date of certification. The Secretary of the Treasury is authorized and directed to transfer to the Railroad Retirement Account from the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, or the Federal Hospital Insurance Trust Fund or to any such Trust Fund from the Railroad Retirement Account, as the case may be, such amounts as, from time to time, may be determined by the Board and

42 USC 1305.

26 USC 3101.

the Secretary of Health, Education, and Welfare pursuant to the provisions of this subdivision and certified by the Board or the Secretary of Health, Education, and Welfare for transfer from any such Trust Fund or from the Railroad Retirement Account.

"(3) For purposes of subdivision (2), for any fiscal year, the rate of interest to be used shall be equal to the average rate of interest, computed as of May 31 preceding the close of such fiscal year, borne by all interest-bearing obligations of the United States then forming a part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest shall be the multiple of one-eighth of 1 per centum next lower than such average rate.

"(d) (1) The Board shall, for purposes of this subsection, have the same authority to determine the rights of individuals described in subdivision (2) to have payments made on their behalf for hospital insurance benefits consisting of inpatient hospital services, posthospital extended care services, posthospital home health services, and outpatient hospital diagnostic services (all hereinafter referred to as 'services') under section 226, and parts A and C of title XVIII, of the Social Security Act as the Secretary of Health, Education, and Welfare has under such section and such parts with respect to individuals to whom such sections and such parts apply. For purposes of section 8, a determination with respect to the rights of an individual under this subsection shall, except in the case of a provider of services, be considered to be a decision with respect to an annuity.

42 USC 426,
1395, 1395x.

"(2) Except as otherwise provided in this subsection, every person who—

"(i) has attained age 65 and (A) is entitled to an annuity under this Act or (B) would be entitled to such an annuity had he ceased compensated service and, in the case of a spouse, had such spouse's husband or wife ceased compensated service; or

"(ii) has not attained age 65 and (A) has been entitled to an annuity under section 2 of this Act, or under the Railroad Retirement Act of 1937 and section 2 of this Act, or could have been includible in the computation of an annuity under section 3(f) (3) of this Act, for not less than 24 consecutive months and (B) could have been entitled for 24 consecutive calendar months, and could currently be entitled, to monthly insurance benefits under section 223 of the Social Security Act or under section 202 of that Act on the basis of disability if service as an employee after December 31, 1936, had been included in the term 'employment' as defined in that Act and if an application for disability benefits had been filed, shall be certified to the Secretary of Health, Education, and Welfare as a qualified railroad retirement beneficiary under section 226 of the Social Security Act.

45 USC 226a.

Ante, p. 1319.

42 USC 423,
402.

42 USC 426.

"(3) If an individual entitled to an annuity under paragraph (iv) or (v) of section 2(a)(1) of this Act would have been insured for disability insurance benefits as determined under section 223(c)(1) of the Social Security Act at the time such annuity began, he shall be deemed, solely for purposes of paragraph (ii) of subdivision (2), to be entitled to a disability insurance benefit under section 223 of the Social Security Act for each month, and beginning with the first month, in which he would meet the requirements for entitlement to such a benefit, other than the requirement of being insured for disability insurance benefits, if service as an employee after December 31, 1936, had been included in the term 'employment' as defined in the Social Security Act and if an application for disability benefits had been filed.

Ante, p. 1312.

42 USC 1305.

"(4) The rights of individuals described in subdivision (2) of this subsection to have payment made on their behalf for the services

42 USC 426,
1395.

referred to in subdivision (1) but provided in Canada shall be the same as those of individuals to whom section 226 and part A of title XVIII of the Social Security Act apply, and this subdivision shall be administered by the Board as if the provisions of section 226 and part A of title XVIII of the Social Security Act were applicable, as if references to the Secretary of Health, Education, and Welfare were to the Board, as if references to the Federal Hospital Insurance Trust Fund were to the Railroad Retirement Account, as if references to the United States or a State included Canada or a subdivision thereof, and as if the provisions of sections 1862(a)(4), 1863, 1864, 1867, 1868, 1869, 1874(b), and 1875 were not included in such title. The payments for services herein provided for in Canada shall be made from the Railroad Retirement Account (in accordance with, and subject to, the conditions applicable under section 7(b), in making payment of other benefits) to the hospital, extended care facility, or home health agency providing such services in Canada to individuals to whom subdivision (2) of this subsection applies, but only to the extent that the amount of payments for services otherwise hereunder provided for an individual exceeds the amount payable for like services provided pursuant to the law in effect in the place in Canada where such services are furnished. For the purposes of section 10 of this Act, any overpayment under this subdivision shall be treated as if it were an overpayment of an annuity.

"(5) The Board and the Secretary of Health, Education, and Welfare shall furnish each other with such information, records, and documents as may be considered necessary to the administration of this subsection or section 226, and part A of title XVIII, of the Social Security Act.

"(e) The Board is authorized to accept on behalf of the United States money gifts and bequests made unconditionally to the Railroad Retirement Account, to the Railroad Retirement Supplemental Account, or to the Railroad Unemployment Insurance Account, or to the Board, or any member, officer, or employee thereof, for the benefit of such accounts or any activity financed through such accounts. Any such gift accepted pursuant to the authority granted in this subsection shall be deposited in the specific account designated by the donor or, if the donor has made no such specific designation, in the Railroad Retirement Account.

* * * * *

737-1541

R L E A**RAILWAY LABOR EXECUTIVES' ASSOCIATION**

RAILWAY LABOR BUILDING, 400 1ST STREET, N. W. WASHINGTON, D. C. 20001

February 24, 1977

The President
The White House
Washington, D. C. 20500

Dear Mr. President:

Mr. N. P. Speirs, Labor Member of the Railroad Retirement Board, has advised the Railway Labor Executives' Association that he will resign from his position at the close of business on July 31, 1977.

As a result of Mr. Speirs' resignation, the Railway Labor Executives' Association, at a regular meeting held on February 14, 1977, unanimously nominated Mr. Charles J. Chamberlain to succeed Mr. Speirs as Labor Member of the Railroad Retirement Board effective August 1, 1977. A biographical sketch of Mr. Chamberlain is enclosed.

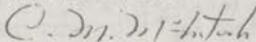
This letter is being written at the direction of and on behalf of all affiliated organizations of the Railway Labor Executives' Association whose members are the legally designated representatives under the provisions of the Railway Labor Act, of approximately 95 percent of all railway employes in the United States.

Section 7(a) of the Railroad Retirement Act, which deals with the appointment of members of the Board, states in part:

"One member shall be appointed from recommendations made by representatives of the employes and one member shall be appointed from recommendations made by representatives of carriers, in both cases as the President shall direct, so as to provide representation on the Board satisfactory to the largest number, respectively, of employes and carriers concerned."

This recommendation for the appointment of Mr. Chamberlain is respectfully submitted in accordance with the above quoted provisions and past practice.

Respectfully yours,



Executive Secretary
Railway Labor Executives' Association

AFFILIATED ORGANIZATIONS: American Railway Supervisors' Association • American Train Dispatchers' Association • Brotherhood of Locomotive Engineers • Brotherhood of Maintenance of Way Employees • Brotherhood of Railroad Signalmen • Brotherhood Railway Carmen of the United States and Canada • Brotherhood of Sleeping Car Porters • Hotel Restaurant Employees and Bartenders International Union • International Association of Machinists and Aerospace Workers • International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers • International Brotherhood of Electrical Workers • International Brotherhood of Firemen and Oilers • International Organization of Masters, Mates and Pilots of America • National Marine Engineers' Beneficial Association • Railroad Yardmasters of America • Railway Employees Department, AFL-CIO • Seafarers' International Union of North America • Sheet Metal Workers' International Association • Transport Workers Union of America • United Transportation Union

The CHAIRMAN. I am very pleased to welcome you and to have you here in this capacity, as nominee for this important position. Mr. Chamberlain?

STATEMENT OF CHARLES J. CHAMBERLAIN, OF ILLINOIS, NOMINEE FOR MEMBERSHIP ON THE RAILROAD RETIREMENT BOARD

Mr. CHAMBERLAIN. Thank you, Mr. Chairman. I am certainly delighted to be sitting before this committee as the President's nominee to the Railroad Retirement Board as labor member.

I certainly consider it quite an honor, being a career railroad employee and serving for some 39 years in the labor movement and the railroad industry. I certainly consider it a privilege and an honor to be nominated for this position. For the record, my dedication to the preservation of this railroad retirement system is my first and foremost objective.

The CHAIRMAN. Now, I wonder if you could give us something of your experience with the railroad retirement system over the years.

Mr. CHAMBERLAIN. Well, Mr. Chairman, my experience is as follows: in 1961 I was elected to the position of international secretary-treasurer of the Brotherhood of Railroad Signalmen, and as a secretary-treasurer I was the designated national reporting officer to the Retirement Board for our organization. I served in that position from 1961 to 1967, and had a daily relationship with the reporting of the organization to the Retirement Board for all of the locals and general committees of our organization.

In 1967, I was elected president of the Brotherhood of Railroad Signalmen—and in 1969, I was elected chairman of the Railway Labor Executives Association—since that time I have been extensively involved in railroad retirement legislation. As you well know, the 1974 legislation to restructure our system was negotiated between labor and management and enacted into law after many long months of extensive negotiations. I was involved in negotiation of RUIA amendments of 1975, and also the technical amendments of 1976.

I think during the past several years, it is fair to say that I have spent the vast majority of my time in connection with the railroad retirement system and the restructuring of that system.

The CHAIRMAN. You mention the 1974 amendments. These were legislated with the hope and intention of bringing the fund into balance, and the system, we know, continues to run a deficit. As I understand it, the Commission on Railroad Retirement has projected a 4-percent yearly deficit; this means that the fund will run out of money in 1992.

Do you have any thoughts on the appropriate solution to this problem?

Mr. CHAMBERLAIN. When the 13th Advisory Actuarial Committee issued their report in the latter part of December 1976, it immediately was a matter of discussion with the railroad industry—I am talking about the carriers—because certainly it seemed to us that after our 1974 legislation, this projection, that we were going to run out of money in 1992, was not consistent with what we felt we had done in 1974.

We are in the process, or have been in the process since that time, of working with the industry to review this report. In my judgment some of the projections, some of the assumptions, that were used in

that report, I would certainly view as questionable, for this reason: One of the assumptions most glaring to me, working in the industry and having very intimate knowledge of the employment in the industry—one of the assumptions was a declining employment base in the railroad industry. I feel, based upon the need for a stronger railroad system in this country, that that projection is erroneous, because the employment must increase. We are not going to rehabilitate our railroads without people.

As I look to the future, railroad employment must increase. In researching this particular matter, I also looked back to some of the practices that have taken place within the industry in permitting the contracting out of a large portion of railroad work—I am talking about railroad work that is readily identifiable: construction work, track maintenance work, signal construction work. In my own craft—the Brotherhood of Railroad Signalmen—we have permitted contractors on the property to install automatic crossing protection, as a result of the importance of installing automatic protection to save lives. Those contractor employees are not covered by the Railroad Retirement Act, and that is an area that if all railroad work was under the Retirement Tax Act, it would go a long way to perhaps not totally remove, but I think it would be a big factor in reducing that deficiency that has now been projected by the Advisory Committee.

The CHAIRMAN. That is the one element that you—

Mr. CHAMBERLAIN. That's the major element, Mr. Chairman. There are other areas that we think certainly warrant review and investigation. The carriers, immediately upon learning of this deficiency, have injected this particular item into the national negotiations that are now underway, and we are in the process of thoroughly reviewing the entire structure of the retirement system. Hopefully, we can reach an accord in a number of areas that will permit us to jointly come back to Congress after the first of the year, the next session, to propose some legislation that would go a long way toward correcting some of these deficiencies, if, in fact, they are real.

The CHAIRMAN. What currently is the retirement age generally of railroad workers?

Mr. CHAMBERLAIN. Well, they can retire at age 60 with 30 years of service. And then, of course, you can retire at age 65.

The CHAIRMAN. They must retire at age 65?

Mr. CHAMBERLAIN. They don't have to retire at age 65. The only inequity, as I see it, in our system now is the loss of a supplemental pension of \$43 if you do not retire at age 65; you can continue working, but you forfeit that \$43. And that is one of the subjects that I think we are going to propose to the carriers, that this provision be removed. I am watching very closely the actions that are emanating daily on the social security legislation, and also the views of this committee, if you please, concerning mandatory retirement. I think that we had better take a look and perhaps let people work beyond age 65, because if they are working beyond age 65 they are contributors rather than beneficiaries. I think that in itself will help the deficiencies in our pension system.

The CHAIRMAN. Well, if the legislation moves on into law, dealing with mandatory retirement, that would certainly change the arrangements under which railroad workers are retiring now.

Mr. CHAMBERLAIN. Yes.

The CHAIRMAN. Does the \$43 supplement obtain because of law or labor contracts?

Mr. CHAMBERLAIN. Well, this was a supplemental pension system initially that we negotiated with the carriers and then had it enacted into law back in 1969.

The CHAIRMAN. If that were strictly a matter of negotiation and contract, under the provision as we have reported, it would be able to continue but within an abbreviated period, a defined period. But as it is now written into law, I would judge that that would have to be adjusted by law.

Mr. CHAMBERLAIN. I think that would be the proper procedure; I think that is what would have to be done.

The CHAIRMAN. I am glad that came up at this time. And I appreciate your judgment that if this legislation becomes law, it would relieve some pressure on the fund.

Mr. CHAMBERLAIN. I think it would have that effect, yes.

The CHAIRMAN. Thank you very much.

Mr. CHAMBERLAIN. Thank you very much, Mr. Chairman.

The CHAIRMAN. All right, with Mr. Chamberlain's hearing record, we will include the biographical information and description of the duties of the Railroad Retirement Board, and a letter endorsing the nomination the Railway Labor Executives Association has furnished the committee.

The committee now stands adjourned.

[Whereupon at 9:32 a.m. the committee adjourned.]



