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# NOMINATION

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HEARING  
 BEFORE THE  
 COMMITTEE ON HUMAN RESOURCES  
 UNITED STATES SENATE  
 NINETY-FIFTH CONGRESS  
 FIRST SESSION  
 ON  
 EARL OLIVER, OF ILLINOIS, TO BE A MEMBER OF THE  
 RAILROAD RETIREMENT BOARD

JULY 21, 1977

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(II)

## NOMINATION

THURSDAY, JULY 21, 1977

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

The committee met, pursuant to notice, at 9:40 a.m., in room 4232, Dirksen Senate Office Building, Senator Harrison A. Williams, Jr. (chairman), presiding.

Present: Senators Williams, Pell, Cranston, Riegle, Javits, and Stafford.

Senator JAVITS (presiding pro tempore). The committee will come to order.

This morning the Human Resources Committee meets to consider the nomination of Earl Oliver to be a member of the Railroad Retirement Board. Would you come forward, Mr. Oliver?

Would you wish to make a statement, Mr. Oliver, to the committee, as to your qualifications for this post to which you have been named by the President?

### STATEMENT OF EARL OLIVER, NOMINEE TO BE A MEMBER OF THE RAILROAD RETIREMENT BOARD

Mr. OLIVER. Only that I am a career railroad employee, who retired a year and a half ago. I was asked by the railroad industry to return from retirement in order to be its nominee as management member of the Railroad Retirement Board.

Senator JAVITS. Mr. Oliver, would you excuse us for one moment. The committee will stand in recess for a moment.

[Brief recess.]

[Senator Williams assumed the chair.]

### OPENING STATEMENT OF SENATOR WILLIAMS

The CHAIRMAN. The next nominee to appear before the committee this morning is Mr. Earl Oliver, who has been nominated by the President to be the management representative on the Railroad Retirement Board for the term expiring August 28, 1978.

Mr. Oliver, I see from your résumé that you have had a long association with the railroad industry and in particular with the Illinois Central Railroad which you worked for from 1948 until your retirement in 1975. Over that period you held a variety of positions, beginning as assistant director for labor relations and at the time of your retirement held the position of senior vice president for personnel administration. You obviously have a wide range of experience in this field and are well qualified to hold the position for which you have been nominated.

At this time I will enter Mr. Oliver's biographical sketch and a description of the duties of the Railroad Retirement Board into the record.

[The information referred to follows:]

Earl Oliver

Born Monticello, Ky., February 25, 1917

Education: Ponca City, Okla., elementary and high schools; B.A. in English from Oklahoma A&M College (now Oklahoma State University); one year of graduate study in English at A&M while working as a teaching assistant; one year of graduate study in English at the University of Minnesota while working as a teaching assistant.

Church affiliation: Episcopalian, active (at various times vestryman, warden, parish treasurer, clerk of the vestry, member of diocesan council, member of the diocesan commissions and committees, chairman of diocesan personnel committee, deputy to general convention)

Employment:

1941-1948 Chicago and Northwestern Railway--secretary, chief clerk, safety inspector, assistant trainmaster, trainmaster

1948-1975 Illinois Central Railroad/Illinois Central Gulf Railroad

1948-1956 subordinate labor relations positions

1956 Manager of Personnel (highest officer for the purposes of the Railway Labor Act)

1963 Director of Personnel ) head of department;

1965 Vice President--Personnel ) jurisdiction: labor relations, labor law, safety, employment, training and development, recruitment, personnel evaluation, salary administration, equal employment opportunity, civil rights law, employee benefits (including retirement and pensions, Medical Department, and employee assistance (alcohol and drug abuse program)

1975 (March) Senior Vice President--Personnel and Administration (additional jurisdiction: purchasing, materials management, real estate, and corporate services)

1975 (November) retired from ICG service

Since retirement: staff work on a very limited basis for National Railway Labor Conference and Railroad Labor-Management Committee

September 10, 1976

[Excerpt from Railroad Retirement Act of 1974, P.L. 93-445]

"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 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.

"(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 of 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 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 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.

"(9) The Board shall maintain such offices, provided 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 excepted 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.

"(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 terms '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 the Secretary of Health, Education, and Welfare pursuant to the pro-

visions 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.

"(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.

"(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.

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

The CHAIRMAN. Mr. Oliver, we have had a problem with one of our bills coming to the floor, which we had to resolve. Now we can get back to you.

You were in midsentence, I understand. Do you want to pick up where you were. I do not know where you were, but do you want to pick up where you were and tell us how you got there?

Mr. OLIVER. I will simply repeat myself because I do not have much to say.

I am a career railroad employee. I retired a year and a half ago.

Last year the industry, the railroad industry, requested me to return from retirement in order to be its nominee to the three-member Railroad Retirement Board, and that is why I am here.

The CHAIRMAN. You said last year?

Mr. OLIVER. Last year.

The CHAIRMAN. All right.

Mr. OLIVER. Unfortunately my nomination went from the industry to the President at the time that other matters much concerned the President, so my nomination was not handled under the previous administration.

The CHAIRMAN. But it was under the prior administration that you were first proposed as the management representative to the Board?

Mr. OLIVER. Correct.

The CHAIRMAN. It was there when the administration changed, and they picked it up most recently?

Mr. OLIVER. Yes.

The CHAIRMAN. And advanced you as the nominee?

Mr. OLIVER. Yes.

The CHAIRMAN. I do notice you have this long career in the industry and on both sides of the employment equation. Have you not been on the labor side and then been on the management side?

Mr. OLIVER. No, I have been representing management throughout my career. However, in late years I have worked very much in the area of labor-management cooperative efforts. You may have heard of some of those efforts in our industry. They have been very productive, I am happy to say.

After my retirement, I served as consultant to the Joint Railroad Labor-Management Committee and performed services for labor in that respect. Otherwise, I have worked solely for management.

The CHAIRMAN. Now the one question that struck me that we have to deal with is your ownership of 3,500 shares of common stock in Illinois Central Industries.

Mr. OLIVER. Yes.

The CHAIRMAN. Illinois Central Industries includes Illinois Central Railroad?

Mr. OLIVER. I think Illinois Central Railroad comprises about one-quarter to one-third of Illinois Central Industries' holdings, yes.

The CHAIRMAN. Of course, the flag goes up on that and raises the question of potential conflict, of course. Do you see any conflicts between the decisions you make as a member of this Board and your rather substantial holdings of a railroad which of course will have questions before the Board?

Mr. OLIVER. No possible conflict at all. The railroad itself will not have questions before the Board.

The CHAIRMAN. A railroader employed or formerly employed by the Illinois Central could bring a case to the Board. Why would that not have any effect on Illinois Central?

Mr. OLIVER. The railroader would not bring a case. It would have no effect on Illinois Central as such. There might be an effect on the entire railroad industry if an Illinois Central employee brought a case to the Board. Any benefits the employee is paid are paid out of a general fund, rather than by the Illinois Central Railroad, so that any decision regarding that Illinois Central railroader would relate to the entire industry and not to the Illinois Central Railroad.

The CHAIRMAN. The question then is whether decisions that could result financially to the benefit of the railroad industry could be in your mind tilted or affected by your interest in the industry?

Mr. OLIVER. No, for this reason: My own private interests happen to coincide with my interest as a partisan member of the Board. Of course the three Board members are there to perform certain functions in common. Two of the Board members are there to perform certain other functions. One represents and speaks for labor and relates to labor. The other represents and speaks for management and relates to management.

Very naturally the labor member is going to advance labor's interest in certain matters, and the management member is going to advance management's interests in certain matters.

I believe that my ownership of Illinois Central Industries stock is not at all inconsistent with my role as a management member of the Board.

The CHAIRMAN. I am certain you feel that, and it is important that you do feel that. If it were fully understood what the role was of the Board member that represented the management side, I am sure that it would be fully understood to be appropriate, and the management member comes generally from this background, so if there is any pro-management feeling, with or without stock—

Mr. OLIVER. That is my point.

The CHAIRMAN. That is what your point is?

Mr. OLIVER. Yes.

The CHAIRMAN. I am just wondering whether you could see any wisdom in not deciding or disqualifying yourself in cases where the claim arose out of the Illinois Central?

Mr. OLIVER. I have here a letter which I am going to receive this afternoon from the counsel to the President that deals with this issue. He makes certain recommendations to me and I am—

The CHAIRMAN. You say you received this?

Mr. OLIVER. I received it this morning. I first learned yesterday this might be an issue. I received this this morning. It is unsigned, but it will be delivered to me today. It does contain certain statements that I am highly in accord with.

The CHAIRMAN. Unsigned, but well typed. The conclusion here is it will be signed by Mr. Lipshutz. It appears you will have complied with the guidelines on conflicts of interest. What have you agreed to do here without reading all of this?

Mr. OLIVER. The recommendations were these—that you do the following in order to avoid even the appearance of conflict of interest:

One, disqualify yourself to act on any particular case which might affect your own personal railroad retirement benefits or annuities or those to which your wife might become entitled.

Two, disqualify yourself to act on any particular matter as defined in 18 U.S.C. 208(a), which would affect Illinois Central Industries or the Illinois Central Railroad Co.

Three, disqualify yourself to act in such other matters as might otherwise come before you at the Railroad Retirement Board which uniquely affect Illinois Railroad Industries.

The CHAIRMAN. So it is a disqualification? It is not a divestiture of holdings or anything like that?

Mr. OLIVER. It is a disqualification.

The CHAIRMAN. That letter is addressed to you?

Mr. OLIVER. Addressed to me.

The CHAIRMAN. You will be receiving it signed, today?

Mr. OLIVER. Yes, sir.

The CHAIRMAN. We should have a copy of that for our record.

Mr. OLIVER. A signed copy?

The CHAIRMAN. I think that would probably be best.

Mr. OLIVER. I shall see that the committee has a signed copy.

The CHAIRMAN. Where is your home?

Mr. OLIVER. Chicago.

The CHAIRMAN. I am pleased you have been nominated.

Senator STAFFORD.

Senator STAFFORD. I have no questions.

The CHAIRMAN. We will await the letter and then we will proceed.

Mr. OLIVER. Very good. I will see that you have it today. Thank you very much, Mr. Chairman.

The CHAIRMAN. Counsel suggests that not only Mr. Lipshutz' statement of your agreement but your letter confirming your acceptance be included.

Mr. OLIVER. Very good.

The CHAIRMAN. The Federal case has now been settled. [Laughter.]

Thank you.

Mr. OLIVER. Thank you.

[The letters referred to follow:]

UNITED STATES OF AMERICA  
RAILROAD RETIREMENT BOARD  
844 RUSH STREET  
CHICAGO, ILLINOIS 60611

August 1, 1977

JAMES L. COWEN  
CHAIRMAN

Earl Oliver  
Member-Designate

Mr. Robert J. Lipshutz  
Counsel to the President  
The White House  
Washington, D. C.

Dear Mr. Lipshutz:

This letter, which supersedes my letter of July 21, is a response to your letter of July 29, which supersedes your letter of July 20.

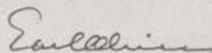
Thank you for your congratulations on my nomination to serve as a member of the U. S. Railroad Retirement Board.

Your understandings as set forth in the third and sixth paragraphs of your letter are correct.

I concur in your recommendations in the last paragraph on page 1 and the first paragraph on page 2 of your letter and will follow them.

Thank you again for both your congratulations and your advice.

Sincerely yours,

  
Earl Oliver

cc: Honorable Harrison A. Williams, Jr.  
Chairman, Committee on Human Resources  
United States Senate



*Keep Freedom in Your Future With U.S. Savings Bonds*

## THE WHITE HOUSE

WASHINGTON

July 29, 1977

Dear Mr. Oliver:

This letter supercedes my letter of July 20, 1977.

I acknowledge receipt of your response to the Outline of Information Requested of Prospective Nominees. I congratulate you on your nomination to serve as a member of the Railroad Retirement Board. And, I acknowledge receipt of your letter of commitment to the President.

You are being appointed to serve on the Railroad Retirement Board on the recommendation of representatives of the railroad carriers. You have advised that you retired in October 1975 from service with the Illinois Central Gulf Railroad Company and that you receive pension payments from that company which supplement your Railroad Retirement annuity. In addition, you and your wife own 3500 shares of Illinois Central Industries common stock.

Notwithstanding the fact that you are serving on the Railroad Retirement Board at the recommendation of the railroad carriers, I recommend that, as a result of your stock ownership and pension, you do the following in order to avoid even the appearance of a conflict of interest:

1. Disqualify yourself to act on any particular case which might affect your own personal railroad retirement benefits or annuities, or those to which your wife might become entitled.
2. Disqualify yourself to act on any particular matter, as defined in 18 U.S.C. 208(a), which would uniquely affect Illinois Central Industries or the Illinois Central Gulf Railroad Company.

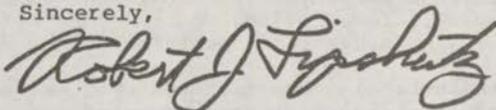
In matters of general applicability to the railroad industry which directly and substantially affect Illinois Central, you should obtain the opinion of Counsel to the Railroad Retirement Board as to the propriety of your participating in such matters. Of course, in some instances, it will be appropriate for you to seek from the Chairman of the Railroad Retirement Board an exemption from 208(a), pursuant to 18 U.S.C. 208(b).

It is my understanding that you do not own a security interest in any company other than Illinois Central Industries.

Based on our review of the materials you have submitted and assuming you take the actions you have indicated you will take and those that are recommended in this letter, it appears that you will have complied with the Guidelines on Conflicts of Interest.

I wish you every success in the undertaking you are about to assume in the interest of the people of the United States.

Sincerely,



Robert J. Lipshutz  
Counsel to the President

Mr. Earl Oliver  
Member-Designate  
Railroad Retirement Board  
444 Pennsylvania Building  
Washington, D.C. 20004

UNITED STATES OF AMERICA  
RAILROAD RETIREMENT BOARD

July 21, 1977

Mr. Robert J. Lipshutz  
Counsel to the President  
The White House  
Washington

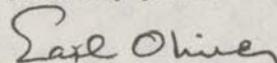
Dear Mr. Lipshutz:

Thank you for your letter of July 20 congratulating me on my nomination to serve as a member of the U.S. Railroad Retirement Board and recommending that, in order to avoid even the appearance of a conflict of interest in view of my pension and stock ownership, I do certain things as set forth in your letter.

I shall follow your recommendations, which are sound. I do not understand the second recommendation to pertain to matters relating to the industry as a whole.

Thank you again for both your congratulations and your advice.

Sincerely yours,



Member Designate

CC: The Hon. Harrison A. Williams, Jr.  
Chairman, Committee on Human Resources  
United States Senate



THE WHITE HOUSE  
WASHINGTON

July 20, 1977

Dear Mr. Oliver:

I acknowledge receipt of your response to the Outline of Information Requested of Prospective Nominees. I congratulate you on your nomination to serve as a member of the Railroad Retirement Board. And, I acknowledge receipt of your letter of commitment to the President.

You are being appointed to serve on the Railroad Retirement Board on the recommendation of representatives of the railroad carriers. You have advised that you retired in October 1975 from service with the Illinois Central Gulf Railroad Company and that you receive pension payments from that company which supplement your Railroad Retirement annuity. In addition, you and your wife own 3500 shares of Illinois Central Industries common stock.

Notwithstanding the fact that you are serving on the Railroad Retirement Board at the recommendation of the railroad carriers, I recommend that, as a result of your stock ownership and pension, you do the following in order to avoid even the appearance of a conflict of interest:

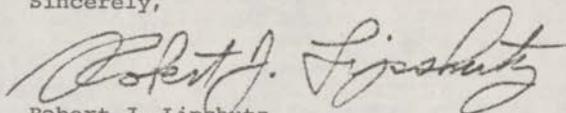
1. Disqualify yourself to act on any particular case which might affect your own personal railroad retirement benefits or annuities, or those to which your wife might become entitled.
2. Disqualify yourself to act on any particular matter, as defined in 18 U.S.C. 208(a), which would affect Illinois Central Industries or the Illinois Central Gulf Railroad Company.
3. Disqualify yourself to act in such other matters as might otherwise come before you at the Railroad Retirement Board and uniquely affect Illinois Central Industries.

It is my understanding that you do not own a security interest in any company other than Illinois Central Industries.

Based on our review of the materials you have submitted and assuming you take the actions you have indicated you will take and those that are recommended in this letter, it appears that you will have complied with the Guidelines on Conflicts of Interest.

I wish you every success in the undertaking you are about to assume in the interest of the people of the United States.

Sincerely,



Robert J. Lipshutz  
Counsel to the President

Mr. Earl Oliver  
Member-Designate  
Railroad Retirement Board  
444 Pennsylvania Building  
Washington, D.C. 20004

The CHAIRMAN. The hearing stands adjourned.  
[Whereupon, at 12:25 p.m., the committee was adjourned, subject  
to the call of the Chair.]

