

SUPPORTING THE GOALS AND IDEALS OF RAILROAD
RETIREMENT DAY

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JULY 15, 2010.—Referred to the House Calendar and ordered to be printed
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Mr. OBERSTAR, from the Committee on Transportation and
Infrastructure, submitted the following

R E P O R T

[To accompany H. Res. 1463]

The Committee on Transportation and Infrastructure, to whom was referred the resolution (H. Res. 1463) supporting the goals and ideals of Railroad Retirement Day, having considered the same, report favorably thereon without amendment and recommend that the resolution be agreed to.

PURPOSE OF THE LEGISLATION

H. Res. 1463 supports the goals and ideals of Railroad Retirement Day, as designated by the U.S. Railroad Retirement Board; recognizes the important contributions that the rail industry, rail workers, and retirees make to the national transportation system; and urges the people of the United States to recognize Railroad Retirement Day (August 29, 2010) as an opportunity to celebrate the success and importance of the railroad retirement system to America's working families.

BACKGROUND AND NEED FOR LEGISLATION

H. Res. 1463 supports the goals and ideals of Railroad Retirement Day, as designated by the U.S. Railroad Retirement Board. Railroad Retirement Day, August 29, 2010, marks the 75th anniversary of the enactment of the Railroad Retirement Act of 1935, as part of President Franklin D. Roosevelt's New Deal legislation.

Railroad Retirement Day recognizes the 75th anniversary of the creation of a reliable, stable funding system into which all railroads and railroad employees pay. It allows older workers to retire with the promise of a predictable income. This year, nearly 600,000 beneficiaries will receive retirement and survivor benefits and

about 42,000 railroad workers will receive unemployment and sickness benefits.

In 1874, the first modern railroad pension system was established in North America by the Grand Trunk Railway of Canada. Its stated purpose was “to help workers worn out from long service to retire.” The American Express Company, then a railroad freight agency, established the first railroad pension system in the United States shortly thereafter, in 1875.

The Baltimore and Ohio Railroad also created a pension system in 1880; the Pennsylvania Railroad in 1886; and other railroads followed suit. By the late 1920s, more than 80 percent of all railroad workers in the United States were covered by a pension plan, but these plans were generally inadequate, liable to capricious termination, and of little assistance to disabled employees.

The Great Depression, which began with the stock market crash in October 1929, drove the already unstable and inadequate railroad pension systems into a state of crisis.

Since 1910, the number of railroad jobs had leveled off and was in decline. By 1928, more than 250,000 railroad workers had lost their jobs and, by 1931, 16 percent of all railroad employees nationally were laid off.

Older railroad workers eligible for retirement exercised their seniority rights and continued working, deciding that a steady paycheck was preferable to pension systems, which could not meet their obligations. This decimated the ranks of younger workers, affecting the railroad industry for years to come as the labor pool of younger workers disappeared.

Congress took action and passed the Railroad Retirement Act of 1934 “to promote economy, improve employee morale and promote the efficiency and safety of interstate transportation.” This legislation was not only designed to rescue retired workers, but a decaying industry as well. However, after the Railroad Retirement Act became law, the U.S. Supreme Court held that the law was unconstitutional.

In 1935, Congress passed similar legislation, which President Franklin D. Roosevelt signed into law on August 29, 1935. The 1935 law was again challenged in the courts. While the law was being challenged, President Roosevelt urged railroad management and labor to come to the table and resolve their differences, and 11 months after the passage of the 1935 legislation, the first annuity payments were made.

The eventual resolution of differences between railroad management and labor led to the Railroad Retirement and Carriers Taxing Act of 1937 and, in July 1937, the benefit payments of more than 50,000 pensioners was taken over by the Railroad Retirement Board.

Numerous changes to the 1937 law were made over time, which increased benefits for retirees and added benefits for dependents. Amendments enacted in 1946 and 1951 added survivor and spouse benefits, liberalized disability benefit requirements, and established jurisdictional coordination with social security.

Other changes to the law followed, which protected the income of retirees in times of double-digit inflation and the crediting of military service, but the most sweeping changes came in 2001

when Congress enacted the Railroad Retirement and Survivors' Improvement Act of 2001 (P.L. 107-90).

The Railroad Retirement and Survivors' Improvement Act of 2001 liberalized early retirement benefits for 30-year employees and their spouses, eliminated a cap on monthly retirement and disability benefits, and lowered the minimum service requirement from 10 years to five to nine years if at least five years of service occurred after 1995. This was accomplished without a tax increase or a reduction in benefits.

By the beginning of its 75th year, in 2010, railroad retirement benefits had been provided to two million retired employees, 1.1 million spouses, and 2.4 million survivors. Additional unemployment and sickness benefits have been paid to railroad workers who were laid off or injured on the job.

SUMMARY OF THE LEGISLATION

H. Res. 1463 supports the goals and ideals of Railroad Retirement Day as designated by the U.S. Railroad Retirement Board. Railroad Retirement Day will be celebrated on August 29, 2010, the 75th anniversary of the day that the legislation was signed into law by President Franklin D. Roosevelt. Further, the resolution recognizes the important contributions that the rail industry, rail workers, and retirees make to the national transportation system and recognizes the importance of the railroad retirement system to America's working families.

LEGISLATIVE HISTORY AND COMMITTEE CONSIDERATION

On June 22, 2010, Rep. Thomas S. P. Perriello introduced H. Res. 1463.

On July 1, 2010, the Committee on Transportation and Infrastructure met in open session to consider H. Res. 1463. The Committee on Transportation and Infrastructure ordered H. Res. 1463 reported favorably to the House by a voice vote with a quorum present.

RECORD VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires each committee report to include the total number of votes cast for and against on each record vote on a motion to report and on any amendment offered to the measure or matter, and the names of those members voting for and against. There were no recorded votes taken in connection with consideration of H. Res. 1463 or ordering the resolution reported. A motion to order H. Res. 1463 reported favorably to the House was agreed to by voice vote with a quorum present.

COMMITTEE OVERSIGHT FINDINGS

With respect to the requirements of clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in this report.

COST OF LEGISLATION

With respect to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, H. Res. 1463 is a resolution of the House

of Representatives, and therefore does not have the force of law. As such, there is no cost associated with this resolution for fiscal year 2010, or any fiscal year thereafter.

COMPLIANCE WITH HOUSE RULE XIII

1. With respect to the requirement of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, and section 308(a) of the Congressional Budget Act of 1974, the Committee advises that the resolution contains no measure that authorizes funding, so no comparison of the total estimated funding level for the relevant programs to the appropriate level under current law is required.

2. With respect to the requirement of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee advises that the resolution contains no measure that authorizes funding, so no statement of general performance and objectives for any measure that authorizes funding is required.

3. With respect to the requirement of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee advises that the resolution contains no measure that authorizes funding, so no cost estimate nor comparison for any measure that authorizes funding is required.

COMPLIANCE WITH HOUSE RULE XXI

Pursuant to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee is required to include a list of congressional earmarks, limited tax benefits, or limited tariff benefits, as defined in clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives. H. Res. 1463 does not contain any earmarks, limited tax benefits, or limited tariff benefits under clause 9(e), 9(f), or 9(g) of rule XXI.

CONSTITUTIONAL AUTHORITY STATEMENT

With respect to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, H. Res. 1463 is a resolution of the House of Representatives, and therefore does not have the force of law. As such, clause 3(d)(1) of rule XIII does not apply.

FEDERAL MANDATES STATEMENT

H. Res. 1463 contains no Federal mandates.

PREEMPTION CLARIFICATION

Section 423 of the Congressional Budget Act of 1974 requires the report of any Committee on a bill or joint resolution to include a statement on the extent to which the bill or joint resolution is intended to preempt state, local, or tribal law. The Committee states that H. Res. 1463 does not preempt any state, local, or tribal law.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act are created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the resolution does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act (P.L. 104-1).

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

H. Res. 1463 makes no changes in existing law.

