

October 3, 2017

The Honorable Roy Blunt
Chairman
Subcommittee on Labor, Health and Human Services, Education, and Related Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Patty Murray
Ranking Member
Subcommittee on Labor, Health and Human Services, Education, and Related Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Chairman Blunt and Ranking Member Murray:

On behalf of the Association of American Railroads (AAR) and the Rail Labor Division (RLD) of the Transportation Trades Department, AFL-CIO (TTD), we write in support of increased funding for the Railroad Retirement Board in the FY 18 Labor, Health and Human Services, Education, and Related Agencies appropriations bill. As explained below, the modest funding increase – \$16.2 million above the President’s budget request – would not come from general revenues but from trust fund dollars contributed by railroad employers and employees.

The Railroad Retirement Board (RRB) is responsible for administering retirement-survivor and unemployment-sickness insurance benefit programs authorized by the Railroad Retirement and Railroad Unemployment Insurance Acts, as well as certain railroad worker Medicare coverage, among other responsibilities. More than half a million retired rail workers and their families, and 25,000 unemployed and sick rail workers, receive these benefits each year, providing support to beneficiaries who live in every state and every congressional district across the U.S. These benefits, funded by payroll taxes from employers and employees, play an important role in the lives of current and retired rail workers, and help attract and retain a qualified workforce. To administer these programs, the RRB receives an annual appropriation in the Labor-HHS bill, although the funds themselves come from contributions from railroad employers and employees into the railroad retirement trust fund.

For FY 18, we are requesting additional funds (above the level requested in the President's budget) for the RRB, to support its work. Specifically, the RRB needs –

- an additional \$7.28 million to help modernize, maintain, and improve the cybersecurity of its IT system. These strategic investments would re-engineer the IT system's 40-year old legacy mainframe system while modernizing applications so that they are more adaptable to future technological changes. The agency estimated that these investments would generate savings equaling the cost of 26 full time positions once the transformation is complete;
- an additional \$175,000 to continue its work to move to online retirement and survivor applications, which will decrease case backlogs and processing times, and reduce security risks;
- an additional \$3.2 million to secure the consolidation of mainframe services, migrating mainframe operations to the National Information Technology Center, thus allowing RRB to gain a fully functional disaster recovery site to meet FEMA requirements;
- an additional \$350,000 to transition to enterprise infrastructure services, consistent with the GSA transition; and
- an additional \$5.2 million for maintaining current staffing levels to carry out its mission and effectively implement the critical initiatives described above.

Over the past several years, RRB has focused on program integrity efforts based in part on the suggestions made by the RRB Inspector General. These efforts are being implemented to strengthen program integrity functions and safeguard the trust fund against fraud, waste, and abuse. We support those efforts.

While the FY 17 omnibus funded RRB at levels above the previous fiscal year, the agency requires additional funding in FY 18 to meet its needs and ensure the benefit programs are administered in optimal fashion. Again, please note that the modest increase we are supporting for the RRB would not require additional general tax revenues. Instead, only the written authority allowing RRB to use funds from its trust fund is required. We respectfully request that appropriators approve the funding described above.

Sincerely,



Edward R. Hamberger
President and CEO
Association of American Railroads



W. D. Pickett
Chair
Rail Labor Division