



ASSOCIATION OF
AMERICAN RAILROADS



March 11, 2026

The Honorable Robert Aderholt The Honorable Rosa DeLauro Chair Ranking
Member
Subcommittee on Labor, Health and Human Subcommittee on Labor, Health and Human
Services, Education and Related Agencies Services, Education, and Related Agencies
Committee on Appropriations Committee on Appropriations U.S. House of Representatives
U.S. House of Representatives Washington, D.C. 20515 Washington, D.C. 20515

The Honorable Shelley Moore Capito The Honorable Tammy Baldwin Chair
Ranking Member
Subcommittee on Labor, Health and Human Subcommittee on Labor, Health and Human
Services, Education and Related Agencies Services, Education, and Related Agencies
Committee on Appropriations Committee on Appropriations U.S. Senate U.S. Senate
Washington, D.C. 20510 Washington, D.C. 20510

Dear Chair Aderholt, Ranking Member DeLauro, Chair Capito, and Ranking Member Baldwin:

On behalf of the American Short Line and Regional Railroad Association (ASLRRA), the Association of American Railroads (AAR), the International Brotherhood of Teamsters (IBT), and the Transportation Trades Department, AFL-CIO (TTD), we write to express our strong support for the Railroad Retirement Board's (RRB's) Fiscal Year 2027 (FY27) a \$185 million Limitation on Administration (LOA) in the Labor, Health and Human Services, Education and Related Agencies (Labor-HHS) appropriations bill.

The RRB is an independent federal agency that administers retirement, survivor, disability, unemployment, and sickness benefits for rail workers and their families. The RRB oversees a uniquely efficient and well-run retirement system that is projected to stay solvent through the next 75 years—the maximum time horizon its actuaries can project. Most railroad workers are not covered by Social Security and do not receive state unemployment insurance benefits. The RRB is the sole entity that provides these essential earned benefits to railroaders and their families.

The agency's administrative costs are funded entirely through payroll taxes paid by the rail industry and their workers into the RRB Trust Funds. In effect, only railroads and railroad employees pay the administrative costs of the RRB. Though RRB is not funded by general fund revenue, each year Congress limits the amount of funding the agency can use for administrative expenses through an LOA in the Labor-HHS appropriations bill. That constraint has created several challenges for the RRB in

recent years, even as the fund has remained solvent. As a result of this chronic underfunding, railroaders have experienced unprecedented delays in service, with the waiting period for disability claims extending beyond 400 days. ASLRRRA, AAR, IBT, and TTD were pleased to see Congress set the LOA at \$127 million in FY26, providing RRB access to an additional \$1 million to begin addressing some of these challenges. However, the agency faces major challenges going into FY27 that will require additional access to funds.

Due to this limited access to its funding, RRB has been unable to modernize its technology and operating systems to improve the speed, efficiency, and service quality for retirees, railroaders, and their families. Much of the RRB's benefits-processing infrastructure relies on legacy systems built decades ago, using outdated programming language and specialized expertise lost every time an employee retires. Modernizing that technology would strengthen program administration, reduce long-term maintenance costs, improve cybersecurity protections, and enhance service delivery. For this reason, RRB estimates they will need \$10 million as part of its FY27 LOA to begin planning for IT modernization and replace existing hardware.

RRB has also reported serious challenges in hiring and retaining a large enough workforce to meet the demands of the beneficiaries they serve each year. With over a fifth of the current RRB workforce at or past retirement age, the agency is at risk of losing critical employees at a time when they are needed most. The limits on RRB's ability to hire and pay qualified staff, combined with the outdated technology and operating systems, threaten the high-quality service railroaders and their families expect and deserve from a mission-critical federal benefits agency. For this reason, RRB estimates they will need access to \$120.4 million of its funding to maintain its current workforce and hire additional employees to reach full capacity of 844 full-time employees. The remaining funding to which RRB requests access will be used to meet the ongoing administrative needs of the agency.

On behalf of the rail industry and railroad employees, we urge you to provide RRB with a \$185 million LOA in the FY27 Labor-HHS appropriations bill. Allowing the agency to access its full budget request will help the agency plan for and carry out imperative technology improvements, restore staffing levels, and provide railroaders, retirees, and their families the certainty that the benefits they paid for will be available when needed most.

Thank you,

The American Short Line and Regional Railroad Association

The Association of American Railroads

The International Brotherhood of Teamsters

Transportation Trades Department, AFL-CIO