STATEMENT OF JOHN A. CARVER, JR., ASSISTANT SECRETARY FOR PUBLIC LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR TO THE CIVIL SERVICE SUBCOMMITTEE OF THE SENATE COMMITTEE ON POST OFFICE AND CIVIL SERVICE

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

My name is John A. Carver, Jr., and I am Assistant Secretary for Public Land Management of the Department of the Interior. The Department favors the enactment of The Alaska Railroad personnel bill, S. 2593. I would like to have given this testimony in person because I regard the subject matter of this bill as of the highest importance to the Railroad, to its employees, and to the Department. Prior commitments require me to be in Portland on the date of this hearing, and I trust that your Committee will receive this statement in my absence.

When I assumed my present duties in January 1961, the general responsibility for the operation of a 500-mile railroad in Alaska was one of the more interesting and challenging functions of my assigned tasks. This Railroad, a Government operation since 1914, serves rail transportation to two-thirds of the people of Alaska, including Alaska's largest cities and most of its large military bases. Alaska Railroad statistics have been brought to your attention: a book value of $125 million; an annual gross revenue of $14 to $15 million; and nearly 1,000 employees. Annual income usually exceeds annual operating expenses, and no Federal appropriations have been required to meet operating expenses since the 1930's.

I anticipated dealing with labor problems for I knew of the Railroad's long history of collective bargaining. One of these problems is before you in this bill. It does not, however, arise from a conflict between labor and management. Rather it arises from a conflict of personnel procedures, one set inherited by The Alaska Railroad from the private railroad industry and embodied in labor agreements and the other a product of Federal law and regulation.

There will be other witnesses who will spell out for you the meaning and significance of the specific provisions of S. 2593. I should like to emphasize three points only.

The first concerns the safety of lives and property. I do not need to stress the major importance of safety in operating a railroad. Any occupations associated with moving vehicles are inherently more dangerous than those that are not. A train crew on an Alaska Railroad passenger train is responsible for the lives of passengers and second, for valuable property.

On The Alaska Railroad, as on any railroad, safety is a product of good management plus vigilance, experience, skill and qualifications of
employees. The experience and qualification requirement is established, in part, in the seniority rules of the labor agreements. They read generally as follows: "Qualifications (or fitness of ability) being sufficient, seniority shall govern." Whereas the sufficiency of qualifications is determined by on-the-job training and management tests to ensure that the training has been effective, the sufficiency of experience is determined by length of service in the occupation in which the employee has been trained and in which he is being used.

I emphasize the last clause. This problem concerns all employees, whether veteran or non-veteran. S. 2593 permits The Alaska Railroad to continue its present practice, rather than being required to count all Government service in its seniority system, irrespective of the occupation in which the experience was obtained.

It is not appropriate, in railroad operations, to treat an employee with one year of service as a fireman or brakeman and 10 prior years of service in any unrelated Federal occupation as on a par with an employee with 11 years of service as a fireman or brakeman. It does not matter whether the other Government service is with the Railroad or not. If an Alaska Railroad freight handler, after 10 years of service, is hired as a brakeman, the system which S. 2593 is designed to remedy counts the freight handler service as equivalent to that of the brakeman. No matter what new tests the Railroad institutes to prevent the inexperienced brakeman (with a good deal of other Government experience) from assignment to jobs that are too much for him, the Railroad must lay off the experienced man with less total Government service and keep the inexperienced.

Alaska Railroad seniority counts only seniority in related jobs. A system that does not distinguish between kinds of experience in determining whom the Railroad shall retain and whom it shall lay off, is not a system that promotes safety of railroad operations. It is not the way to run a railroad.

My second point concerns the importance of collective bargaining to good labor relations on The Alaska Railroad. You are of course aware of the heightened importance to collective bargaining in the Federal service that has been marked by the issuance of the President's Executive Order 10988 in January of this year. This Administration stresses the collective bargaining rights of employees, -- their rights to join unions and to share with management through their union representatives in the determination of conditions of work, and the handling of employee grievances.

The Alaska Railroad has more than 40 years of experience with unions and collective bargaining. Eight unions, including the standard railroad labor organizations and two unions of Federal employees, have been recognized as the bargaining agents of employees for many years. We summarized our view on S. 2593 in our report:
"Unless S. 2593 or some comparable legislation is enacted, the main structure of labor relations which has been built up in the Alaska Railroad will, in large part, disappear. The forms of collective bargaining will remain but its substance will be so altered as to be largely meaningless. The effect of such a change upon the morale of the employees of the Alaska Railroad, who have pioneered collective bargaining in the Federal Government, is certain to be disastrous. They are railroad employees as well as Federal employees and both management and union representatives want to keep them railroad employees as well as Federal employees."

The reason that this is so is because the Civil Service rules relating to reduction in force, to adverse actions, to the handling of grievances, to seniority, to the rights of displaced employees, are imposed by law and regulation. They are not determined by agreement with employees. Yet these are among the most important subjects of collective bargaining. Unless this bill is passed the unions will not determine the rules governing these items through negotiations except where Civil Service rules do not cover. This is why collective bargaining as it has been known on the Railroad for so many years, will largely disappear, unless S. 2593 becomes law. The labor agreements will have to be entirely rewritten. Because the Railroad has gone so much further than most Government agencies in determining working rules by bargaining, the rewritten labor agreements will wipe out much of the collective bargaining progress of the last 40 years.

This bill does touch on veterans' rights. But it is wrong to say that it excludes Alaska Railroad employees from the protection of the Veterans' Preference Act. S. 2593 does no such thing. It re-emphasizes veterans' preference in hiring and appointments. It continues veterans' protection in re-employment. It does not alter the counting of military service in railroad seniority for employees who have left railroad service to join the armed forces.

S. 2593 does not even exclude the Alaska Railroad from the retention-point system and other Civil Service regulations which stem from the Veterans' Preference Act. The bill recognizes that there are elements of conflict between the labor agreement rules negotiated by railroad labor unions and certain Civil Service and veteran's preference regulations, some of which are applicable to non-veterans. Seniority constitutes one of the most important of these elements. Here S. 2593 provides that Alaska Railroad employees may make a democratic choice. If they elect, through collective bargaining negotiations, a rule which conflicts with a Civil Service rule derived from the Veterans' Preference Act, then and then only would the negotiated rule govern. Even this could not be done as far as veterans' preference in hiring and re-employment is concerned, nor could the counting of military service in the computation of seniority be changed.
Veterans' preference under S. 2593 is not eliminated, and it can be modified, only as employees, a majority of whom are veterans, affirmatively negotiate such a modification.

The Department of the Interior looks with pride on the results to Alaska Railroad labor relations of Department encouragement to the growth of collective bargaining. If S. 2593 becomes law that growth can continue. If it does not become law much of the accomplishment of years of labor-management negotiation on the Railroad will be destroyed.