

b. It provides former stewardesses with permanent careers in the airline industry.

c. It provides other young women with a very desirable form of employment.

d. Job transition is made at the optimum age for retraining and future advancement.

e. Individual comparisons involving the effects of aging are avoided.

The airline industry is a progressive industry, and American Airlines is a leading airline. American was the first domestic airline to participate in Plans for Progress. The Company has received repeated commendations for its efforts to eliminate discrimination and provide full equality of opportunity. The reassignment policy represents another progressive response by American Airlines to a difficult problem in human relations.

(The following material was submitted for the record:)

STATEMENT OF ASSOCIATION OF AMERICAN RAILROADS

The Association of American Railroads (AAR) asks that the railroad industry be excepted from the provisions of H.R. 3651 and H.R. 5481 (and similar bills) which would make unlawful, discrimination in employment because of age.

The AAR is an unincorporated, voluntary association of Class I railroads which operate 96 percent of the railroad mileage in the United States, whose revenue amount to 96 percent of railroad revenues in the United States, and whose employees constitute 95 percent of the total number of railroad workers in the United States.

The purpose of this statement is to succinctly set forth the compelling reasons which cause the railroad industry to seek an exemption from age discrimination legislation as embodied in H.R. 3651 and H.R. 5481. Since the railroads' concerns stem basically from considerations which particularly apply to the railroad industry but may or may not be true of other industry segments, the AAR limits its request for relief of the Committee to an exclusion of the railroads from these particular proposals and age discrimination legislation in general. As the following comments demonstrate, a rail industry exclusion is a matter of over-all public interest, for a statute which would force the railroads to accept older new hires would impair the capacity of the industry to service, now and in the future, the nation's over-all transportation requirements.

There are two fundamental concepts which support these general statements. First, because of a combination of circumstances which will be outlined in more detail subsequently, the rail industry has a work force which is disproportionately over age. To prepare for the demands which are sure to come from all portions of the economy as it expands in virtually every calculable respect, the railroads are attempting to remedy this age imbalance. H.R. 3651 and H.R. 5481 would nullify these remedial efforts by increasing the percentage of older workers in the total work force.

Since it may not be readily apparent why an age imbalance factor is undesirable, a brief explanation at this introductory stage may be helpful. With a transportation mode where public convenience and necessity are at stake, an experienced work force is important. Since experience comes from years of service, employee turnover, that is, the rate at which the various decremental factors remove experienced incumbents from the working rolls, should be fairly uniform on a year-to-year basis. If for any reason an especially high turnover occurs over a relatively short period of time, the quality of the work force will be affected. A work force heavy with age turns over more rapidly than one in age balance and in so doing changes the composition of the work force. It is for this reason that an age distribution balance should be struck. H.R. 3651 and H.R. 5481 would feed the present age imbalance in the rail industry and its byproducts.

A key concept, the significance of which must be appraised in changing any personnel policy in the railroad industry, is the seniority principle. All of the collective agreements between rail management and the various unions have adopted it and the assignment of the work force depends on it. It is firmly embedded not only in the labor agreements, but in the working philosophy and everyday thinking of the railroad worker. Principles of the seniority system are (1) hiring of young new entrants and (2) progression from the least desir-