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U. S. DEPARTMENT OF LABOR  
WAGE AND HOUR DIVISION  
Washington

INACTIVE

HEARING TO DETERMINE ATLANTA, BIRMINGHAM AND COAST RAILROAD BASIS  
OF WAGE DEDUCTIONS UNDER FAIR LABOR STANDARDS ACT

A hearing to determine the reasonable cost to the Atlanta, Birmingham and Coast Railroad of furnishing housing and other facilities to maintenance-of-way employees, will be held in the Ansley Hotel, Atlanta, Georgia, on Thursday, October 17. The railroad seeks to deduct from workers' wages for working time lost and gasoline consumed in hauling old cross-ties used as fuel.

This is the first application by an employer for such a determination on which the Wage and Hour Division has conducted a hearing. It begins one week before the third year of the Act's operation, October 24, when the maximum work-week without payment of overtime is reduced from 42 to 40 hours. The overtime provisions of the Act will not, however, be involved in the hearing.

Harold Stein, Assistant Director of the Hearings Branch of the Wage and Hour Division, U. S. Department of Labor, Washington, D. C., will preside at the hearing.

The hearing is being held on the application of the Railroad, which will be represented by W. A. Spoll, Chief Engineer. The employees will be represented by Thomas Carroll, Vice President of the Brotherhood of Maintenance-of-Way Employees of Covington, Ky.

The Atlanta, Birmingham and Coast Railroad is controlled by the Atlantic Coast Line. It operates 650 miles of railroad trackage between Brunswick, Ga., and Birmingham, Ala., with a branch line running from Manchester, Ga., to Atlanta.

The Railroad provides 147 section houses for its maintenance-of-way employees.

Section 531.1 of Wage and Hour Regulations prescribe in general terms the manner in which deductions for facilities provided employees by employers may be made from the wages of workers. However, the hearing will be conducted under Section 531.2 which provides for a determination of reasonable charges for facilities provided by this particular employer to his employees. Regulations prohibit any profit from these services deriving either to the employer or anyone affiliated with him.

These regulations were amended on October 2 by adding procedure for administrative review of any determination made under them.

In a petition presented with its application for a determination on housing, the Atlanta, Birmingham, and Coast Railroad proposes to charge its maintenance-of-way employees 11 to 22-1/2 cents per day, for every day worked, for the rental of company-owned houses.

The Railroad also proposes a charge of five cents per day for hauling old cross ties provided the employees as fuel. The petition sets forth that the employees will be given the cross ties without charge, but that the time required by the employee to load and unload the ties from the railroad motor cars, and the extra fuel required to haul the ties from along the Railroad right-of-way to the section houses will amount to about a nickel a day.

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