

**Congressman Chris Lee (NY-26)**  
**Testimony to the Health, Employment, Labor, and Pensions Subcommittee**  
**December 2, 2009**

I'd like to begin by thanking Chairman Andrews, Ranking Member Price, and the other members of the subcommittee for giving me the opportunity to testify here today.

Mr. Chairman, you have convened this hearing to investigate the handling of Delphi Corporation's pension obligations, and I commend you for doing so. As a result of the restructuring negotiations between Delphi Corporation, General Motors, and the Treasury Department's Automotive Task Force, many Delphi workers and retirees have seen changes to their pensions. However, as you are aware, these changes were not equally distributed among these current and former Delphi and GM employees.

As a result of restructuring negotiations between Delphi Corporation, GM and the Auto Task Force, Delphi's pension obligations will default to the Pension Benefit Guaranty Corporation. However, certain hourly workers will experience little or no pension reduction because of the unprecedented agreement brokered by the Auto Task Force for GM to "top up" those pensions. You will hear from members of the Delphi Salaried Retiree Association to discuss this in further detail, but what this decision means is that pension benefits for salaried Delphi retirees could be cut by as much as 70 percent for approximately 20,000 retirees and workers across the country. Just in the last year, their health and life insurance benefits have been canceled, and now this. Delphi retirees have long depended on these benefits for their financial security in retirement.

I have with me here today hundreds of pieces of correspondence I received just in the last week from salaried Delphi retirees from across the country. Their stories are painful to read. These letters tell the stories of men and women who worked for 20 or 30 years or even longer for Delphi, building good American products and contributing to their local economy and communities in Western New York, in Ohio, in Michigan and elsewhere. These men and women worked for Delphi with the promise of current and future compensation funded through the effort of each worker. They were depending on these benefits for a safe, secure and healthy retirement.

One such person is 53-year-old David Chatt from Lockport, New York. David worked for GM for 25 years and Delphi for an additional 10 years. His anticipated retirement pension had already been cut by 30 percent from what was originally promised him by action Delphi took in October of 2008. He was promised health care benefits once he retired until he reached the age of 65, and these are gone. Now the PBGC is expected to dramatically reduce his pension benefits, on top of what was already cut in 2008. He described his personal situation like this: "uncertainty of benefits, no health care, and a 401(k) designed over 35 years to be supplemented with a healthy pension, has

shattered [his] retirement plans." After carefully planning a retirement in good faith that would begin in his early 60s, he now expects to have to work until 70.

He's certainly not alone. There are countless other stories like this in these letters, and I ask unanimous consent to submit these letters for the record. [WAIT for response]

Delphi's hourly and salaried retirees worked side-by-side for many years, mostly as GM employees. Yet they are now being treated so differently and inequitably by their government, with some bearing a small burden while others take the lion's share. Many of my colleagues, including those sitting with me on the panel today, have appealed to GM, Delphi and the Administration to intervene and provide fair and equitable treatment for Delphi's hourly and salaried retirees. At minimum, these decisions – and how these decisions were reached – ought to be explained sufficiently to these workers.

I want to call your attention to an important congressional request that demands the attention of this Committee. On June 24, more than five months ago, a bipartisan group of 22 Members wrote to Treasury Secretary Timothy Geithner to request he direct the Auto Task Force to make public all documents concerning how the decision to dispose of these pensions was reached, including relevant documents, written communications and memoranda between the Auto Task Force, GM, Delphi, and their agents and representatives. I ask unanimous consent to have this letter submitted for the record. [WAIT for response]

Following the Senate Health, Education, Labor, and Pensions' hearing "Pensions in Peril" which examined this issue, a similar request was made.

To date, we have not received a response from Secretary Geithner to this request. In light of this Administration's commitment to transparent and open government, and given that the American taxpayers are the majority owners of GM, I believe that taxpayers deserve answers and a full explanation of how these inequitable decisions were made.

On behalf of Delphi's retirees, and the American taxpayers who are financing GM's recovery, I am here to seek the support of this committee for this request and your assistance in demanding the immediate release of these documents from the Auto Task Force and the Treasury Department. I am grateful that this committee is beginning to investigate what happened here, but how can proper oversight be performed on these decisions if the Administration will not release the information it used to make its decisions? Only through the public release of these documents can Congress effectively exercise its oversight authority and responsibility. I thank the Chairman and Ranking Member in advance for their consideration of this long overdue request.

I again thank the committee for the opportunity to testify here today and look forward to working with you all to continue to pursue this matter.