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November 12, 2009

The Honorable Edolphus Towns
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
2157 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Dennis J. Kucinich
Chairman
Subcommittee on Domestic Policy
Committee on Oversight and Government Reform
U.S. House of Representatives
2445 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Towns and Chairman Kucinich:

I am writing to join with Congressmen Turner, Lee, and Burton and Delphi employees and retirees to call for a hearing investigating the influence exerted by the United States Department of the Treasury and the Presidential Automotive Task Force (PATF) on General Motors' (GM) decision to supplement Delphi Corporation's hourly retirees' pension fund payments.

On October 6, 2009, four years after filing for Chapter 11 bankruptcy, Delphi Corporation exited bankruptcy as Delphi Holdings. Under the modified restructuring plan, facilitated by the Obama Administration and approved by the U.S. District Bankruptcy Court for the Southern District of New York, the Pension Benefit Guaranty Corporation (PBGC) took over the Delphi pensions and GM agreed to supplement hourly retiree pension payments. PBGC assumed \$6.2 billion in liabilities for six Delphi pension plans covering 70,000 employees and retirees. In addition to acquiring four U.S. steering component plants under the modified restructuring, GM agreed to use money from its own pension funds to supplement the 46,000 Delphi hourly unionized employees' pension payments to make up for the 30 to 70 percent cut in benefits

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resulting from the PBGC's takeover of the Delphi pension plans. This unprecedented agreement was not extended to the 21,000 salaried workers and retirees.

GM has stated that it has agreed to supplement Delphi union retirees because it had promised to do so in 1999. However, when questioned about the fate of salaried employees, GM stated that it "isn't something that GM has any control over" and "GM doesn't have the legal obligation nor does it have the money to re-fund those pensions."¹

The explanations offered by GM are insufficient. After receiving over \$53 billion in assistance from the Treasury, the American people became the single largest GM stockholder. They deserve a complete explanation for the disparate treatment of Delphi employees and GM's use of taxpayer dollars.

I ask that a hearing be held on these issues immediately. I look forward to working with you on this matter. If you have any questions or comments please contact Marvin Kaplan, Counsel, at (202) 226-1133.

Sincerely,



Darrell Issa
Ranking Member

¹ Walsh, Mary Williams, *For Delphi Pensioners, the Union Label Helps*, The New York Times, October 27, 2009. Available at <http://www.nytimes.com/2009/10/27/business/27delphi.html?pagewanted=print>.