

United States Senate

WASHINGTON, DC 20510

November 14, 2011

Chairman Darrell Issa
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Issa:

Thank you for holding today's field hearing titled: "Delphi Pension Fallout: Federal Government Picked Winners and Losers, So Who Won and Who Lost?" especially as it relates to the treatment of Delphi retirees during the General Motors (GM) bankruptcy. I appreciate your holding this hearing in Dayton in order to hear directly from the many people who have been impacted by the handling of this bankruptcy such as the four Ohioans who are testifying today, who each invested over 30 years of their lives working at Delphi and GM.

In September 2009, a decision was made by President Obama's Auto Policy Task Force to "top-up" the pension benefits of union retirees from Delphi but not those of salaried retirees from the same company. Previously, in June 2009 Delphi Corporation's defined benefit pension plans were terminated, resulting in an estimated 30 to 70 percent reduction in benefits for Delphi salaried and union retirees.

On March 30, 2011, the U.S. Government Accountability Office (GAO) released a report detailing the key events leading to the Delphi pension termination and the omission of a large number of salaried retirees. GAO is also expected to release a future report specifically examining how the Pension Benefit Guaranty Corporation's handling of the Delphi pension termination compares with that of other, similar terminations. In addition, the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) is investigating this issue and is expected to release a report later this year.

While the initial GAO report is useful in providing a chronology of events, it does not provide enough background on the disparate treatment of Delphi retirees. The 20,000 salaried retirees, including over 1,000 in the Dayton area, range from shop-floor supervisors and salespeople to engineers and office managers. These salaried retirees spent many years at Delphi, a major employer and economic engine in towns across Ohio, including Dayton. These men and women earned their pensions the American way, through hard work and dedication. However, these salaried retirees will lose a significant portion of their pension benefits, while many of their former co-workers will receive their full promised benefits. This is troubling, and merits further scrutiny by Congress.

Today's hearing along with forthcoming government reports will be helpful in determining the reasons and justification for the disparate treatment of Delphi retirees. Thank you again for holding this important hearing as we work to remedy this situation and understand its vast impacts on thousands of Ohioans.

Sincerely,



Rob Portman