

Congress of the United States
Washington, DC 20515

Dear Mr. and Mrs. Woods:

Thank you for informing of your support for protecting the retiree benefits of former employees of Delphi Corporation. Your thoughts on this important matter are most welcome and appreciated.

As the lead Republican sponsor of H.R. 3455, I agree with you.

As you know, our domestic auto industry is facing one of the most challenging times in its history, which presents a period of unprecedented challenges for our community and our country. In partnership, our auto companies and the United Auto Workers (UAW) have been restructuring this critical industry so, for generations to come, America retains its engine of prosperity; arsenal of democracy, and the world's greatest domestic manufacturing base. Throughout this harsh and heart-rending restructuring effort, our families and friends have suffered greatly from employee layoffs and buyouts, retiree benefit cuts and plant closures. Gritting our teeth as our auto companies and the UAW faced and made tough but necessary choices, we went on with the hard work at hand - despite knowing all the while the industry's painful restructuring would continue and intensify. Reprehensibly, auto workers who belong to the IUE-CWA, United Steel Workers, International Union of Operating Engineers, and the salaried retirees of Delphi Corporation and GM have seen their hard earned retiree benefits cut or eliminated by direction of the Presidential Task Force on the Auto Industry.

In response to this inequitable treatment of our auto workers, on June 24, 2009, I joined with my colleagues in sending a letter to Treasury Secretary Timothy Geithner to direct the Presidential Task Force on the Auto Industry to make public all documentation concerning the decision by the Treasury Department to default Delphi's salaried retiree pension plan to the Pension Benefit Guarantee Corporation (PBGC), the federal agency which insures the retirement benefits of nearly 44 million Americans in 29,400 pension plans, up to limits set by law. In 2009, the PBGC maximum benefit for an individual who retired at age sixty-five is \$54,000 per year with the maximum benefit lower for those who retire earlier. Consequently, the potential cut to an individual Delphi pension plan could be as high as 70%.

Additionally, on July 10, 2009, I joined with my colleagues in sending a letter to Chairmen Barney Frank and Chris Dodd of the House and Senate Committees on Financial Services urging immediate committee hearings be held on the treatment of Delphi's pension obligations and its impact on 15,000 salaried retirees. Ultimately, after GM announced it could no longer afford to fund Delphi's hourly pension plan, on July 22, 2009, the PBGC assumed all of Delphi's pension obligations including the pension plans of both hourly and salaried employees.

Importantly, the PBGC will likely see its deficit increase as it assumes additional pension plans. As this happens, it will be my intent to see any profits the government makes from the Troubled Asset Relief Program (TARP) are used for this fund.

To request information from the Obama Administration on the automotive industry restructuring process, on June 26, 2009, Representative John Boehner (OH) introduced H.RES. 591, a resolution requesting the President transmit to the House of Representatives all information in his possession relating to certain specific communications with and financial assistance provided to General Motors Corporation and Chrysler LLC. Importantly, this resolution requests any information pertaining to the role the Presidential Task Force on the Auto Industry played in negotiating and reviewing GM's and Chrysler's reorganization plans and the levels of reductions in pension plans of GM's and Delphi's salaried employees and retirees, non-union hourly retirees, and each union with members employed by the companies. Presently, this resolution awaits action in the House of Representatives.

Most recently, on July 31, 2009, Representative Tim Ryan (OH) introduced H.R. 3455, legislation of which I am the lead Republican sponsor. If enacted, this legislation would create a voluntary employee beneficiary association (VEBA) to provide health care benefits to former employees of Delphi Corporation who lost their health benefits due to the bankruptcies of Delphi or GM. Importantly, this VEBA will be funded by redirecting \$3 billion from TARP. Presently, this legislation awaits action in the House Committee on Financial Services.

Rest assured, your thoughts on this important issue will be well remembered during the 111th Congress. Again, thank you for contacting me; and for all you do for our community and our country. Should you have any further comments or questions on this or any other issue, please contact me at the Livonia or Milford district, or Washington, D.C. office.

I work for you.

Sincerely,



Thaddeus G. McCotter
Member of Congress

P.S. In an effort to conserve paper and save taxpayer dollars, please subscribe to our email list so we can more efficiently provide you with updates on important issues to the 11th District.