



CAROLYN CHEEKS KILPATRICK

Congresswoman Representing Michigan's 13th District



April 23, 2010

Mr. and Mrs. Tom & Carol Woods
41189 Coventry Rd.
Novi, Michigan 48375-5222

Dear Mr. and Mrs. Woods:

Michigan and our nation has been drastically and dramatically hurt by the downfall of the U.S. auto industry. The wake of this damage has been that of the health care benefits and pension plan of many of its workers. In the case of Delphi, this downfall saw its beginning as early as 2005, when Delphi filed for bankruptcy. Up to that point, the Delphi Corporation was the leading global supplier of mobile electronics and transportation systems. Delphi, at one point, employed more than 185,000 workers in 38 countries.

The Pension Benefit Guaranty Corporation (PBGC) was created by Congress to protect the pensions of Americans. When General Motors (GM) declared bankruptcy, Delphi and its pension plan was already in big trouble. When GM was unable to transfer assets to the pension plan in July 2009, the PBGC terminated all of Delphi's pension plans because, according to the General Accounting Office, "Delphi had stated that it could not afford to maintain its pension plans and GM, which itself had reorganized in bankruptcy earlier in the year, had stated that it was unable to afford the additional financial burden of the Delphi pensions."

The PBGC has stated that the calculation of benefits for former Delphi plan holders will be long and difficult because of the complexity of the benefits of the different plans, the availability of the documentation after all of the mergers that have occurred, and other factors. It could take years before anything is finally determined.

Corporations must do all that they can to protect the pensions earned through many years of hard work and determination. Congress created the PBGC to do just that, but these are unprecedented times. No one foresaw the bankruptcy of the largest corporation in the world. Delphi's pensions are estimated to be billions of dollars in the red. As Congress continues to move forward with legislation that enabled the survival of GM and Chrysler, I will continue to fight to ensure that pensions and health care benefits are preserved as much as possible.

Thank you for taking the time to educate me about Delphi and their pension plan. We must do all we can to protect the pensions of all Americans. I will keep your views in mind as Congress moves on this important issue.

Sincerely,

Carolyn C. Kilpatrick
Member of Congress

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