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BROWN FIGHTS FOR DELPHI RETIREES BY BLOCKING NOMINATION OF PBGC DIRECTOR

Sen. Brown Places Hold on Nomination of Pension Benefit Guaranty Corp. Director to Urge Administration to Bring GM to the Table

WASHINGTON, D.C. – U.S. Sen. Sherrod Brown (D-OH) announced that he would object to taking up the nomination of Joshua Gotbaum to serve as Director of the Pension Benefit Guaranty Corp. Brown’s action is designed to prevent the consideration of the nomination by unanimous consent, in order to urge the Administration to bring General Motors to the table to meet the pension obligations of Delphi retirees.

“We owe it to Delphi retirees to take all steps possible to secure their pensions,” **Brown** said. “That’s why I’m urging the Obama Administration to encourage General Motors to meet its obligations to Delphi retirees.”

“I strongly support the actions of Senator Sherrod Brown in placing a hold on the nomination of the Pension Benefit Guarantee Corporation director,” **U.S. Congressman Tim Ryan** said. “We cannot allow the appointment of a PBGC director who is unable to resolve the Delphi situation due to a conflict of interest. These workers and retirees spent their careers working for the benefits that are now being withheld from them; they deserve a swift and just resolution. I want to thank Senator Brown for his continued leadership and determination in this matter.”

Brown and Rep. Tim Ryan have been fighting for Delphi retirees. In April, following a recent Government Accountability Office Report (GAO) on retirement security in the auto sector, Brown and Ryan [wrote](#) to U.S. Treasury Secretary Timothy Geithner calling for his assistance in ensuring that auto worker's pension plans are protected. In Feb. they [wrote to President Obama](#) calling for his intervention on behalf of the Delphi retirees who stand to lose a substantial portion of their pensions in the aftermath of the Delphi and GM bankruptcies. They requested that the federal government, as a 60 percent shareholder in the new General Motors, bring GM to the negotiating table to work out a fair solution for the Delphi retirees.

Delphi was created in 1999 as a spinoff from GM, and most Delphi employees spent two-thirds of their careers as GM employees. When Delphi entered bankruptcy protection in 2005, many long-term employees were forced into early retirement as part of the restructuring agreement. Early retirement or supplemental benefits are not guaranteed by the Pension Benefit Guaranty Corporation (PBGC), and as a result, many of these Delphi retirees are at risk of losing a substantial percentage of their pension income.

Brown invited a representative of the Delphi Salaried Retirees Association to testify before the Senate Health, Education, Labor, and Pensions Committee (HELP) in Oct. 2009. In December 2009, Sen. Brown and Rep. Ryan testified on behalf of the Delphi retirees before the House Health, Employment, Labor, and Pensions Subcommittee (HELP).

Brown and Ryan have introduced [legislation](#) that would create a Voluntary Employees Beneficiary Association (VEBA) to provide health coverage to Delphi and union hourly workers. They also led a bipartisan group of nine Senators and 24 Representatives from Ohio, Iowa, Michigan, Mississippi, and New York in calling for the federal government to restore fairness for Delphi retirees and minimize the economic effect of the pension loss on their communities.

Brown has cosponsored legislation which would curb abuses that deny employees and retirees of their pensions when businesses collapse. The [Protecting Employees and Retirees in Business Bankruptcies Act](#) would make several changes to Chapter 11 bankruptcy law, emphasizing worker and retiree interests when companies file for bankruptcy.

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