


Rob Portman.com
for US Senate

July 12, 2010

President Barack Obama
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

I am writing to state my support of a letter signed by over thirty Senators and Representatives regarding the treatment of the Delphi salaried employees, a copy of which is attached. And I am writing to ask that the Administration intervene on behalf of Delphi retirees, many of whom will lose a substantial portion of their retirement because of the Delphi and GM bankruptcies.

As you know, until 1999, Delphi was originally operating under General Motors Corp., when it was spun-off as an independent business. When Delphi was spun off, it assumed responsibility for maintaining pension plans for all Delphi employees including both salaried and unionized employees.


Citing rising pension and health care costs as reasons, Delphi filed for Chapter 11 bankruptcy in October 2005. As Delphi's bankruptcy progressed, Delphi and GM and the PBGC reached a deal that would allow the potential transfer of billions of dollars in pension liabilities from the plans for unionized workers to existing plans of GM.

Delphi's handling of its pensions changed dramatically when GM filed for bankruptcy in June 2009. Shortly after GM filed for bankruptcy, Delphi indicated that it expected to enter into an agreement with PBGC whereby PBGC would initiate involuntary termination proceedings with respect to the salaried plan. Such a move by PBGC jeopardizes the retirements of over 15,000 Delphi retirees.

As a 60 percent shareholder in GM, the federal government is in a position to do something to restore fairness for these retirees and to minimize the economic impact of the pension loss in their communities, which is estimated to be \$58 million annually to the Mahoning Valley.

I respectfully request that the Administration bring GM to the negotiating table to work out a fair solution for the Delphi retirees.

Thank you for your consideration of this matter.

Sincerely,

Rob Portman

Paid for by Portman for Senate Committee