



CONGRESSMAN MICHAEL R. TURNER
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For Immediate Release
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**Turner Demands Snowbarger Reveal Who in the Administration
Was Involved in Delphi Pension Cuts**

*Letter Follows Revelation of Administration Fully Participating
in Deal which Cut Delphi Pensions*

Washington, D.C. – Congressman Mike Turner, in a letter to Vincent Snowbarger, has demanded greater details surrounding the Administration’s picking of winners and losers amongst Delphi retirees following the Auto Bailout. Just prior to a field hearing in Dayton on Monday before the House Committee on Oversight and Government Reform, Snowbarger answered months-old questions regarding just how involved the Administration was in the Delphi decision. Snowbarger is Deputy Director for Operations for the Pension Benefit Guaranty Corporation (PBGC) and was directly involved in the Auto Bailout process.

“Mr. Snowbarger has revealed for the first time throughout this process that the Administration was on all sides of the deal which cut Delphi retiree pensions. Hardworking taxpayers, Congress, and Delphi salaried retirees deserve to know where the money has gone in this deal, and how we can get it back,” said Turner.

In his original letter of June 22nd, Turner asked Snowbarger: “Is the Treasury Department consulted in PBGC pension fund plan settlement negotiations?”

Snowbarger answered in a November 9th letter: “...PBGC notes that attorneys for the Auto Task Force participated along with PBGC, GM, Delphi, and Delphi’s debtor-in-possession lenders in telephone conferences during which the terms of the PBGC settlements were negotiated.”

“Each of those participants, other than Delphi and Delphi’s debtor-in-possession lenders were Administration run entities. This revelation shows that the Administration was directly negotiating the end deal that picked winners and losers when it came to Delphi employee pensions,” added Turner.

Turner, who is a senior member of the Committee, has been pressing the Administration for answers since the Auto Bailout was undertaken. The field hearing stemmed from a decision by the PBGC that resulted in approximately 20,000 current and future salaried Delphi retirees from across the country taking a severe cut in their pension benefits. On June 22nd, at Turner’s request, an additional hearing on *the Lasting Implications of the General Motors Bailout* was held by the House Oversight and Government Reform’s Subcommittee on Regulatory Affairs, Stimulus Oversight and Government Spending.

The text of Turner’s letter to Mr. Vincent Snowbarger, as well as Questions for the Record Follow Below:

MICHAEL R. TURNER
3RD DISTRICT, OHIO

COMMITTEE ON ARMED SERVICES
CHAIRMAN
SUBCOMMITTEE ON
STRATEGIC FORCES

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November 16, 2011

Mr. Vincent Snowbarger
Deputy Director for Operations
Pension Benefit Guaranty Corporation
1200 K St., NW
Washington, D.C. 20005

Dear Mr. Snowbarger:

I am writing to inform you that I have submitted questions for the record to the November 14, 2011 Oversight and Government Reform Committee hearing on "Delphi Pension Fallout: Federal Government Picked Winners and Losers, So Who Won and Who Lost?" in Dayton, Ohio.

On November 9, 2011 you provided responses to questions I presented to you on June 22, 2011. Several of these responses, as well as your testimony in the November 14 hearing, fail to sufficiently address questions posed and do not identify relevant parties with specificity.

As a result, I have submitted the attached questions for the record and expect to receive answers in a timely fashion. For your reference, I have also enclosed your November 9, 2011 responses.

Sincerely,

A handwritten signature in blue ink that reads "Michael R. Turner".

Michael R. Turner
Member of Congress

Oversight & Government Reform Committee Hearing
“Delphi Pension Fallout: Federal Government Picked Winners and Losers, So Who Won and Who Lost?”

Questions for the Record

Submitted by Congressman Michael R. Turner on November 16, 2011

1. In your November 9, 2011 response to Question 1, you stated, “PBGC periodically informed the PBGC Board of matters involving the Delphi Pension Plans, including their potential impact on PBGC, plan participants, and estimates of benefit reductions resulting from large unfunded benefits that exceeded PBGC’s statutory guarantee limits.” Who at PBGC periodically informed the PBGC Board, and by what means of communication? Provide documentation and records of any such communications that occurred in written form.
2. Who at the PBGC Board was periodically informed by PBGC?
3. In your November 9, 2011 response to Question 1, you stated, “PBGC provided estimates of the unfunded status of the Delphi Pension Plans to the Auto Task Force.” Who at the PBGC provided estimates to the Auto Task Force, and by what means of communication? Provide documentation and records of any such communications that occurred in written form.
4. Who at the Auto Task Force was provided estimates by the PBGC?
5. In your November 9, 2011 response to Question 1, you stated, “PBGC provided its Board with additional information on estimated benefit reductions for retired Delphi Pension Plan participants.” Who at the PBGC provided additional information on estimated benefit reductions to the PBGC Board, and by what means of communication? Provide documentation and records of any such communications that occurred in written form.
6. Who at the PBGC Board was provided additional information on estimated benefit reductions?
7. To which retired Delphi Pension Plan participants did the additional information on estimated benefit reductions pertain?
8. In your November 9, 2011 response to Question 1, you stated, “PBGC sent a memorandum to the PBGC Board that included estimates of the number of Delphi Pension Plan participants that would have their benefits reduced to the guarantee limit.” Who at the PBGC wrote, or otherwise contributed to, the memorandum to the PBGC Board?”
9. To whom at the PBGC Board was the memorandum addressed?
10. Who at the PBGC Board had access, whether direct or indirect, to the memorandum?

11. In your November 9, 2011 response to Question 3, you state, "PBGC kept the PBGC Board periodically informed of matters involving Delphi Pension Plans, including their potential impact on PBGC, plan participants and estimates of benefit reductions resulting from large unfunded benefits that exceeded the guarantee limits under ERISA." Who at the PBGC kept the PBGC Board periodically informed of matters involving Delphi Pension Plans, and by what means of communication? Provide documentation and records of any such communications that occurred in written form.
12. Who at the PBGC Board was periodically informed by the PBGC?
13. In periodically informing the PBGC Board, which plan participants were included in the PBGC's analysis of potential impact?
14. In your November 9, 2011 response to Questions 6 and 26, you state, "PBGC notes that attorneys for the Auto Task Force participated along with PBGC, GM, Delphi, and Delphi's debtor-in-possession lenders in telephone conferences during which the terms of the PBGC settlements were negotiated." Which attorneys for the Auto Task Force participated in the telephone conferences, and what were their responsibilities in the negotiations?
15. Who at PBGC participated in the telephone conferences, and what were their responsibilities in the negotiations?
16. Who at GM participated in the telephone conferences, and what were their responsibilities in the negotiations?
17. Who at Delphi participated in the telephone conferences, and what were their responsibilities in the negotiations?
18. Who at Delphi's debtor-in-possession lenders participated in the telephone conferences, and what were their responsibilities in the negotiations?
19. Which terms of the PBGC settlements were negotiated in the telephone conferences?
20. In your November 9, 2011 response to Question 11, you state, "The PBGC Board had no involvement in the process of reducing benefits." Which PBGC Board members were not involved in the process of reducing benefits?
21. In your November 9, 2011 response to Question 19, you state, "We are not aware of any conflicts." Please clarify the entity or group of individuals to which you assign to the term "We", as used in your response to Question 19.
22. Please provide and describe the processes used by this entity or group of individuals in concluding that no conflicts existed.
23. In your November 9, 2011 response to Question 23, you state, "PBGC approved the [settlement] agreements and signed them as a party." Who at PBGC approved the settlement agreements?

24. By what processes were the settlement agreements approved by PBGC?
25. Which individuals not employed by PBGC were consulted, whether formally or informally, in the process of PBGC approving the settlement agreements, and by what means of communication were these individuals consulted? Provide documentation and records of any such communications that occurred in written form.
26. In your November 9, 2011 response to Question 23, you state, "In negotiating the settlement, PBGC sought to protect its economic interests and obtain the best outcome for the pension insurance program and its stakeholders, including the participants in the terminating Delphi Pension Plans." Who at PBGC participated in negotiating the settlement, and by what means of communication? Provide documentation and records of any such communications that occurred in written form.
27. With whom did PBGC participate in negotiating the settlement?
28. Please clarify what meaning you assign to the term "economic interests", as used in your response to Question 23.
29. In your November 9, 2011 response to Question 24, which asked when the PBGC made the Department of Treasury aware of its belief that there were \$2.4 billion in foreign Delphi assets upon which the PBGC could assert liens, you state that "as of June 15, 2009, PBGC had perfected \$195.9 million in liens on behalf of the Delphi Salaried Plan[.]" and that "[t]he \$195.9 million represented the full amount of the liens that PBGC could assert under law on behalf of the Delphi Salaried Plan at the time of its termination." However, in a report presented to the PBGC dated April 16, 2009, Greenhill & Company, Inc. (a third party consultant that the PBGC hired to "evaluate the relative value of Delphi and its foreign businesses") stated that "[t]he combined collateral value potentially subject to foreign liens is currently estimated at \$2.4 billion dollars." Is it your position that, despite the fact that you served as the Acting Director of the PBGC and signed the notice of determination that the Delphi plans should be terminated, you did not know that after the PBGC initiated termination proceedings against the Delphi plans it had the right, under ERISA §§ 4062 and 4068, to assert additional liens upon Delphi assets? Are you also stating that you were unaware of the \$2.4 billion estimate provided to the PBGC by Greenhill? Various PBGC memorandum directed to you at the time you were serving as Acting Director suggest that it was the need to perfect the PBGC's rights to these foreign liens that justified the PBGC's decision to initiate termination proceedings when it did. If you did not believe that the PBGC had the right to secure additional liens beyond the \$195.9 million it had already perfected, why did you authorize the PBGC to institute termination proceedings as to the Delphi plans?
30. In your November 9, 2011 response to Question 24, you also state that "PBGC did not discuss its assessment of the value of Delphi's foreign assets with the Treasury Department." You elsewhere acknowledged that the PBGC took part in discussions with the Auto Task Force (which is of course a part of Treasury) over the terms of the PBGC Settlement Agreements, see, e.g., your answer to Question 26, and a key provision of these Settlement Agreements was the release of all liens asserted and/or assertable by PBGC against Delphi (and any entities in Delphi's controlled group). See Delphi-PBGC

Settlement Agreement at 4-6; GM-PBGC Settlement Agreement at 4, 6. Is it your testimony that the PBGC never discussed the release of its liens, both asserted and assertable, with Treasury and/or Auto Task Force officials?

31. In your November 9, 2011 response to Question 22, you state that “[t]hrough Delphi continued to state its hope of GM assumption publicly through the spring of 2009, no one from Old GM, the Treasury Department, or the Auto Task Force ever communicated to PBGC that GM had any intention of assuming the Delphi Salaried Plan.” Did the PBGC consider what the effect on GM would be if the PBGC refused to release its liens, both asserted and assertable, on Delphi assets? Did the PBGC ever propose to the Auto Task Force, Treasury or Old or New GM that Old or New GM assume the Salaried Plan? Did the PBGC ever prepare any financial estimates reflecting the cost to GM of assuming the Delphi Salaried Plan? If so, did the PBGC ever share such estimates with employees of the Treasury or Auto Task Force?

32. In your November 9, 2011 response to Question 5, which asked whether the Treasury Department initiated discussions with the PBGC regarding the Delphi Salaried Plan, you stated that “[n]either the Treasury Department nor the Auto Task Force had a role in authorizing, approving or consenting to the termination of the Delphi Salaried Plan.” This suggests that there was no interaction between the PBGC and the Treasury/Auto Task Force regarding the Delphi Salaried Plan. Are you denying that representative from the PBGC and Treasury/Auto Task Force discussed Delphi’s Pension Plans between March and August 2009? If not, please list the communications that took place, stating the date and time of the communication, the exact topics discussed, and the individuals from each agency that took part in the communications.

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