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Portman Pushes Obama Administration to Examine Treatment of Retired Delphi Workers during General Motors Bankruptcy

Washington, DC – U.S. Senator Rob Portman (R-Ohio) today pushed the Obama Administration further to look into the treatment of retired Delphi salaried workers during the General Motors bankruptcy. In a letter to Jay Williams, former Youngstown Mayor and now Executive Director of the U.S. Department of Labor’s Office of Recovery for Auto Communities and Workers, Portman said he hopes the Administration will remedy the treatment of workers who lost a significant portion of their pension benefits, while other retirees from the same company received far better treatment.

“I have met with these retired salaried workers who share heart-breaking stories of pain and loss that they have endured as a result of their reduced benefits,” Portman said in the letter. “As you further investigate this issue, I hope you will closely consider the pain this decision has caused to hundreds of Mahoning Valley families and the resulting economic impact that it has had on the region.”

When Delphi’s defined benefit pension plan was terminated, Delphi workers lost an estimated 30 to 70 percent in benefits. The Auto Policy Task Force subsequently decided to “top-up” the pension benefits of certain retirees, not the 20,000 salaried retirees, including 1,500 salaried retirees in the Mahoning Valley. This has had a severe economic impact on thousands of retired Delphi salaried employees in Ohio. An economic impact study by Youngstown State University found that decreased retiree income and benefits will cost the Youngstown area about \$58 million per year in lost economic activity.

Senator Portman played a key role in getting bipartisan Trade Adjustment Assistance legislation passed by the Senate in September, which President Obama signed into law in October. This legislation increased the coverage level of the Health Coverage Tax Credit, an important health care program for these former Delphi salaried workers.

He has also submitted testimony at multiple Congressional hearings to share his strong concerns with the treatment of these workers.

Text of the letter is below:

Hon. Jay Williams
Executive Director
Office of Recovery for Auto Communities and Workers
U.S. Department of Labor
Frances Perkins Building
200 Constitution Ave., NW
Washington, DC 20210

Dear Jay,

Thank you for meeting with leaders of the Delphi Salaried Retirees Association in Youngstown last week. Given your extensive background in the Mahoning Valley, you know these issues well and I appreciate your taking the time to listen closely to the concerns raised by these hardworking Ohioans.

As you know, a lot of questions have been raised about the handling of pension plans in the midst of the Delphi and GM bankruptcy. In 2009, Delphi's defined benefit pension plans were terminated and turned over to the Pension Benefit Guarantee Corporation, which resulted in large benefit reductions for Delphi's salaried and union retirees. Following these massive reductions, estimated to be 30 to 70 percent, the President's Auto Policy Task Force decided to "top-up" the pension benefits of hourly Delphi retirees, while ignoring the pension benefits of Delphi salaried retirees. The disparate treatment of workers from the same company is extremely troubling, and merits a close examination.

The 20,000 salaried retirees, including thousands in the Youngstown area, spent many years at Delphi, earning their pensions through hard work and dedication. These salaried employees worked diligently beside their hourly colleagues, and should not receive different treatment. I have met with these retired salaried workers who share heart-breaking stories of pain and loss that they have endured as a result of their reduced benefits. I have submitted testimony at multiple Congressional hearings to share my strong concerns with the treatment of these workers, and am hopeful that the Administration will do everything that it can to remedy this situation.

As you further investigate this issue, I hope you will closely consider the pain this decision has caused to hundreds of Mahoning Valley families and the resulting economic impact that it has had on the region. An economic impact study by Youngstown State University found that decreased retiree income and benefits will have large costs to our state, including up to \$58 million per year in lost economic activity in the Mahoning Valley.

I appreciate your attention to this issue and look forward to working with you.

Sincerely,

Rob Portman