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Wicker Introduces Legislation to Investigate Delphi Pension Treatment

U.S. Government's Meddling in General Motors Business Decisions Must Come to Light

WASHINGTON—Today, Senator Roger Wicker (R-Miss.) introduced legislation to require the Government Accountability Office (GAO) to conduct a non-partisan, independent analysis of the propriety of federal financial assistance provided to the General Motors Corporation and its treatment of certain Delphi retirees.

On October 3, 2008, President Bush signed a \$700 billion Troubled Asset Relief Program (TARP) into law. Wicker was one of 25 Senators to vote against the TARP program. To date, over \$70 billion in taxpayer funding has been transferred to General Motors to keep the company afloat. Most of this funding was provided through the TARP program.

“The TARP program has failed to address the root cause of the market turmoil. Instead of using the funds only to purchase troubled housing-related assets, as then-Treasury Secretary Paulson originally suggested to Congress, this program has become a revolving slush-fund. During the Bush Administration, the program was used inappropriately to acquire bank stocks, assist credit card companies, and provide loans to auto makers. Under the Obama Administration, the TARP program has gotten further off track, with the federal government ultimately acquiring a 60-percent ownership in General Motors. Perhaps the most troubling fact of all is that the American people do not know to what extent their government is meddling in the day-to-day business operations of GM,” **WICKER** said.

Many are concerned that the federal government, acting through GM, is picking winners and losers in the bankruptcy proceedings. For example, pension agreements are routinely altered during bankruptcy proceedings. In this case, certain pension beneficiaries were made whole during the bankruptcy process while others were not. Delphi Automotive, a former GM company, had pensions restored for union retirees but not for their non-union counterparts. The methodology GM used in this instance appears highly questionable.

“Today I introduced legislation that would bring more openness and transparency to our government. The federal government must be accountable for its involvement in the day-to-day business operations of General Motors, and the American people should know how pension decisions, like those affecting Delphi retirees, were made.” **WICKER** said. “The administration should be open about its involvement in the GM bankruptcy proceedings, and we should know if it urged a preferential treatment for certain groups or individuals.”

S. 3526, which was referred to the Senate Homeland Security and Government Affairs Committee, would require the Obama Administration to submit relevant documents and communications to the GAO. Additionally, it would require the National Archives and Records Administration to submit all relevant documents and communications from the Bush Administration to the GAO. The audit also would analyze unusual or improper decisions that GM may have been pressured to make, especially those related to the Delphi pension resolution.