

Testimony of Tom Rose
Delphi Salaried Retirees Association
Monday, June 10, 2013

Oversight & Government Reform Subcommittee on Government Operations

Thank you, Chairman Mica, and Congressman Turner for holding this important hearing. Delphi salaried retirees continue to seek the truth about our pension termination; a termination that was absolutely unnecessary and - we believe - illegal.

My name is Tom Rose. After college and two years of military service, including a year in Vietnam, my automotive career began with GM and continued for 30 years. I spent an additional nine years with Delphi. I certainly felt that I contributed a small piece to the powerful GM that had to be bailed out in 2009. I also expected to receive my health care and pension that was earned and promised as part of my employment. After the dust of the frantic 44-day GM bankruptcy had settled, I found myself with zero health care and – in my case – a 40% pension reduction. My carefully planned retirement was blown apart at a point in my life when recovery time and opportunities are limited. I look back and wonder what I did wrong. I now realize that I first trusted GM/Delphi, and then I trusted the Auto Task Force that guided the bailout under the direction of Treasury. In the end, this trust was misplaced as myself and 20,000 other Delphi salaried retirees were abandoned by GM and the Auto Task Force.

We are glad that the union retirees have their full health care and pensions – they earned it, they deserve it, but so do we. They received their full pensions, not from obsolete union contracts as alleged, but were topped up per direction of the Auto Task Force. As Vice President Biden stated “(The PBGC is) an independent agency. We can’t direct them to make good on all pensions we were able to protect the hourly workers. Some salaried workers got hurt, particularly the younger ones.” Speaking for myself, I simply fail to understand how two groups of employees, working for the same company, in the identical situation, could be treated so distinctly different by our own government. The preferential treatment given the union is blatantly obvious. Were salaried retirees wrong to expect fair and equitable treatment from our own government?

Matthew Feldman, a member of the Auto Task Force, stated that “we were trying to facilitate an agreement where the salaried plan would get terminated and taken over by the PBGC and General Motors would assume liability for the hourly plans.” They were certainly successful in terminating our pension, in spite of the fact that our plan was considered to be fully funded by third party actuaries. They were also successful in having the taxpayers pick up the tab to fully fund hourly pensions. This reinforces my belief that Treasury and the Auto Task Force were calling the shots, and the PBGC was simply a pawn in our pension termination.

The PBGC’s role is “to protect the retirement income of pension plan beneficiaries.” Let me recap how they have protected us:

- The PBGC’s administrative record, which should clarify what happened, only serves to interject confusion. Despite the PBGC acknowledging almost daily coordination with the Auto Task Force, the administrative record was almost entirely stripped of references to this coordination.
- FOIA requests to obtain information were answered by providing hundreds of pages of redacted material or simply withholding information. Again, this obscured the details of PBGC’s actions.
- DSRA’s lawsuit was brought in September, 2009, and, after numerous objections, Judge Tarnow, of the U.S. District Court for the Eastern District of Michigan, ordered discovery in 2010. The PBGC did not produce a single document until June, 2012, and only then after the Court issued another five Orders explicitly stating our right to discovery.
- The last of these orders was issued in March, 2012 with a requirement to be completed within 90 days. After 15 months, the PBGC has still not fully complied.
- Treasury has never participated in discovery Why not? Isn’t the current administration the alleged most open and transparent ever? I don’t mean to be critical. After all, the DSRA consists of both Republicans and Democrats. But the huge disconnect between words and actions is shameful.
- As you know, the PBGC has also stonewalled numerous Congressional requests for information.
- Recently, the PBGC announced that final benefit determination for our pensions could not occur until 2015, thus forcing continued financial uncertainty on salaried retirees. So I ask Is this how the PBGC protects us?

- I could go on, but in summary, justice delayed is justice denied.

How long must this continue? Sadly, with the dual negative impact of loss of health care and full pensions, many salaried retirees find themselves living below federal poverty level guidelines. This has created many hardships, as Mary Miller testified.

Finally, some good news! A solution exists for the salaried pension plan. In recent meetings with Treasury and PBGC, a proposal have been presented that fully funds the salaried pension plan, both retroactively and going forward. This proposal can be implemented immediately and with zero taxpayer money required. This would also fulfill the political solution as suggested by Judge Tarnow.

Congressmen, today we ask for your help in requiring Treasury and PBGC to end this harm that was needlessly inflicted upon this group of American citizens. After almost four years, one Senate hearing, six House hearings, continuous PBGC delays and no Treasury participation, this has gone on long enough. A solution exists, and the time to implement it is now!

Thank you.

Matthew Feldman deposition, July 21, 2009, Washington, D. C.

Vice President Biden Remarks to WFMJ-TV reporter, May 17, 2012, Warren, OH

<http://www.youtube.com/watch?v=WT8rSAROMZQ>