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Representing Ohio's 3rd Congressional District
Testimony before the Education and Labor Committee, Health, Employment, Labor, and Pensions
Subcommittee: Examining the Delphi Bankruptcy's Impact on Workers and Retirees.
10:30 AM, December 2, 2009 2175 Rayburn H.O.B

Thank you Chairman Andrews and Ranking Member Price for holding this hearing today and inviting me to testify.

The bankruptcy of Delphi Corporation has had a major impact on my community of Dayton, Ohio.

The Dayton region is the birthplace of Delphi Corporation. The company was founded as the Dayton Engineering Laboratories Company which evolved, through the hard work of Ohioans, into Delco, a division of General Motors. General Motors subsequently spun off Delphi Corporation, which at one point, was the largest parts supplier to General Motors. Mr. Chairman, my father worked for General Motors for over 40 years.

When Delphi declared bankruptcy in 2005, the company decided to close or sell several facilities in my congressional district including two facilities in Dayton, as well as facilities in Kettering, Moraine, and Vandalia. The job loss at these facilities has been estimated at over 5000 jobs.

The effect of these plant closures has been felt throughout the Dayton region as many of our family members, neighbors, and friends were Delphi employees.

The closure of these facilities also has an impact beyond individual job loss. Whole neighborhoods have been affected by Delphi's bankruptcy through increased foreclosures, and community services have been affected because of an eroded tax base.

The job loss associated with Delphi's bankruptcy was further increased by the closing of the General Motors assembly plant in Moraine, Ohio, which resulted in the loss of five thousand additional jobs. The job losses also extend to small manufacturers and suppliers throughout Ohio who lost Delphi and GM as clients.

Since Delphi entered bankruptcy in 2005, many of us in Ohio have worked on a bi-partisan basis to assist those affected in our state. Specifically, I have worked with my colleague Senator Brown to help provide emergency assistance for auto workers and with Representative Tim Ryan to help provide trade adjustment assistance to dislocated workers.

Today's hearing is in response to yet another loss to my community at the hands of Delphi Corporation.

This summer, Delphi petitioned for, and the United States Bankruptcy Court granted authority to turn over pensions for salaried retirees to the Pension Benefit Guarantee Corporation (PBGC). These actions are resulting in approximately 15,000 salaried Delphi retirees from across the country taking a severe

cut in their promised pension benefits. By some estimates, this means a 70 percent reduction in pensions, and for some retirees, this news compounds the prior loss of health care benefits.

Earlier this year a bi-partisan group of Ohio representatives petitioned the Administration to help retirees from General Motors plants in Dayton and Warren, Ohio to receive insurance benefits. While these retirees were not entirely made whole, some were able to achieve a baseline of benefit protections.

However, not all groups have had these results. Delphi Salaried Retirees, as well as some so-called "splinter unions" such as the IUOE, IBEW, and IAM still face benefit reductions.

Local leadership for the Delphi Salaried Retirees in my district estimate that nearly 1000 retirees in the Dayton area will be affected by the Bankruptcy Court's decision. This treatment of salaried retirees is particularly troubling in comparison to the benefits received by some in organized labor organizations.

I have worked along with all the members of this panel to advocate on behalf of *both* union and non-union labor to ensure that *all* retired workers receive whatever benefits they were promised.

Mr. Chairman, all of these retirees, regardless of labor affiliation or not, worked alongside each other during their careers. They should not be treated differently in their retirement.

Salaried retirees made their careers by supporting Delphi Corporation. Congress and President Obama's Administration owe it to these hard working men and women to pursue aggressive oversight in this matter, and to work toward a solution.

Before I conclude, I would like to recognize Tom Rose for driving from Dayton, Ohio to Washington, DC for today's hearing, as well as the other retirees who are in attendance. You have my continued commitment to work on your behalf.

Mr. Chairman, while Delphi has been permitted to survive, their retirees continue to struggle. This problem should not even have been allowed to occur. I appreciate your holding this hearing today as we look for additional answers.

Thank you.