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# Congress of the United States

## House of Representatives

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### Opening Statement Rep. Elijah E. Cummings, Ranking Member

#### Subcommittee on Government Operations Hearing on "Oversight of the SIGTARP Report on Treasury's Role in the Delphi Pension Bailout"

September 11, 2013

Thank you, Mr. Chairman, for convening what common sense would suggest will be the capstone on this Committee's five hearing inquiry into GM's decision-making on Delphi pensions during the extraordinarily successful rescue of the U.S. automotive industry.

In 2009, the Administration's Auto Team members came from the private sector, took up the mantle of public service, and assumed responsibility for managing the investments that the Bush and Obama Administrations made to save the U.S. auto industry from collapse.

Thanks to their work, America's automotive industry today directly employs 1.7 million people. Indirectly, this industry accounts for roughly 8 million jobs nationwide. That represents 4.5% of all private sector employment. It also accounts for roughly \$500 billion in wages being paid to workers and \$70 billion in personal income tax revenue.

I thank the former Auto Team officials for their work to protect this industry and the American economy. You did a critical job, and you did it exceedingly well!

It is unfortunate that, regardless of these impressive results, Republicans continue to criticize the successful rescue of the American automotive industry. The majority, including members of this Committee, has perpetuated the narrative that government officials made the decision that the salaried retirees of Delphi would not get pension "top-ups."

We know now that that narrative is false.

SIGTARP's report makes clear that a high ranking GM official made that decision, not the Administration. SIGTARP also found that, at the time of Delphi's spin-off from GM in 1999, the pensions of the Delphi salaried workers were fully funded. That is why the high-ranking GM official believed that giving the salaried workers a top-up in 2009 would have been tantamount to paying that group of workers twice.

SIGTARP also found that the unionized workforce did not receive fully funded pensions when Delphi was spun-off. To the contrary, their pensions were underfunded. But their union negotiated contracts with GM to top-up their pensions in the future. And when the union insisted that those contracts be honored in the bankruptcy process, they were honored without question. SIGTARP found that “no person SIGTARP interviewed could recall any discussion of the top-up agreement at the negotiations.”

The facts found by SIGTARP are consistent with GAO’s review, completed more than a year and a half ago. GAO detailed the business reasons for GM to honor previous agreements with certain unions. A failure to honor those agreements would have jeopardized the company’s ability to move forward.

I feel bad for the Delphi workers who did not receive top-ups. There will be hard days ahead for those people. They were betrayed by Delphi’s management, which did not make pension payments for years after spin-off. But none of that is the fault of the government’s effort to save GM.

The investigation into this matter has been thorough. As an investigative body, it is critically important that we follow the facts where they lead. And it is equally important, that when we get answers, we accept those answers. We now have the facts. We have the answers. I ask the majority to accept them.

Thank you.

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