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August 6, 2016

Honorable Members, Ohio Congressional Delegation;
Senators Brown & Portman,
Representatives; Chabot, Wenstrup, Beatty, Jordan, Latta, Johnson, Gibbs, Davidson, Kaptur, Turner,
Fudge, Tiberi, Tim Ryan, Joyce, Stivers & Renacci

Today, we mark 3 months since Mr. Feinberg's decision to return the Central States pension reduction proposal to its sender. My fellow Ohio committeemen suggest that I send a reminder of the tasks facing us in seeking PENSION JUSTICE FOR ALL. July & August pensions have been received intact, on time and much appreciated, but reasonable persons realize a sense of urgency that was not present previously.

Another somber anniversary has passed. Thirty years after the death of the Honorable Senator Jacob Javits (R. New York), the ERISA law that he long sponsored , has been decimated by the Kline-Miller Act of 2014 and the associated PBGC is facing funding shortfall to honor its responsibilities, after years of collecting insufficient premiums commensurate with risk. Other fathers of this legislation included such notables as Walter Reuther, Senator Vance Hartke (D. Indiana) and of course President Gerald Ford, who signed it into Law in 1974, 13 years in the making. **TO GO BACKWARD DISHONORS THE MEMORY OF THOSE WHO BROUGHT US FORWARD !!**

Sixty years ago, the massive Packard plant on East Grand Blvd. in Detroit went dark. Pensions of UAW workers were litigated into 1959. In the end , a great many received very little. This was on the minds of staff at UAW Solidarity House in 1961, when they proposed pension insurance similar to FDIC bank insurance to Mr. Reuther. At the time, it was thought that the end of Studebaker could come at any time. Studebaker had a one year jump on the " big 3" in producing a compact car , by shortening their existing car body. 138,000 Larks produced a profit in 1959, but that disappeared quickly in 1960 & 61 with 106,000 and then 79,000 sales after the Falcon, Corvair, Valiant and other entries from the competition arrived. Initial discussions commenced with the Kennedy Administration in 1961, 62 & 63 regarding how this insurance could be structured.

A decision to darken the mile long Studebaker complex in South Bend was made in December 1963, after 111 years of operation starting with horse drawn vehicles. At closure, employment that in 1950 exceeded 20,000 salaried and hourly, was in the area of 7,000, with 4,392 vested in the UAW Local 5 Fund , with an average age of 54. In 1964 , pensions were finalized giving full pension to those over age 60, 15% to those 40-60 and nothing to those under 40 after their years of contribution and sweat. That year, Senator Hartke introduced the first Bill in Congress relating to insuring pensions but it did not gain traction amid LBJ's Great society agenda. Senator Javit's sponsorship began in 1967.

It is not hard to visualize Central States participants receiving a similar final distribution sometime in the 2020 decade, some 60 years after the 1961 first discussion of pension insurance---13 years to enact legislation was obscene then and cannot be tolerated now !

Albert Russell Erskine became President of Studebaker in 1915 and presided over its greatest

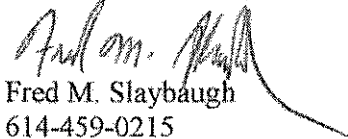
decade of auto industry prominence in the 1920's. In so doing, he developed an affinity of being "a darling of Wall St" as described by some authors. He was a proponent of paying excessive dividends to keep Studebaker stock at a high value. At the onset of the Great Depression, Studebaker had perhaps the most cash on hand as any auto manufacturer and he saw no reason to adjust to lower sales, continuing to pay unrealistic dividends. By 1932, the coffers were empty, he was dismissed by the Board of Directors and committed suicide in mid 1933. The Company continued on for another 30 years, never recovering needed capital and subsequent market position. Studebaker was a vital supplier during WWII and there were occasional high spots post war. Those of a certain age might recall their 1951 V8 engine, 4 years ahead of Chevrolet and Andy Granatelli, their race driver & chief engineer. Canadian production continued into the 1966 models .

The Studebaker story remains relevant today, not only as the catalyst for ERISA, but as an example of what can befall pension holders as long as the free enterprise system exists. Millions go forth daily to toil at honest labor, making AMERICA GREAT, they have an expectation that their contributions matter in making AMERICA GREAT and that the pension contributions from their sweat should be handled prudently by those entrusted . With countless Pension Funds now indicating future insolvency, the stabilization of the PBGC is a priority to preserve the fabric and economic stability of our society. To do otherwise, further diminishes the accomplishments of those who pushed our American society forward all those years ago.

This writer is heartened by the inclusion of the objectives of the Keep Our Pension Promises Act in the 2016 Democratic Platform, courtesy of the efforts of the Honorable Bernie Sanders. We are told that additional legislative overtures are being discussed. It should be remembered that the recent pension reduction proposal was doomed by the hasty enactment of the 2014 Kline-Miller. Had sufficient debate occurred, it would likely have brought out that most Central States pensions are modest, averaging \$ 1,200 monthly. It seems that an assumption was made that the average was much higher and thus formulas were included in the Law that left a minority pool of those contributing the most for the longest with a proposed 50% reduction or higher, with predictable reaction.

As our society has moved away from defined benefit pensions. Most Americans are now on their own with individual retirement accounts and now face the variances of the financial markets individually, just as the pension funds do collectively. In large part, individuals must suffer losses without recourse. In crafting a solution to our situation, care must be taken to not impact them further---the public is watching that their tax dollars are not diverted to someone fortunate to have a defined benefit, thus new ideas on funding need to be explored.

These parameters may seem insurmountable in reaching a solution. In America, when great minds collaborate much can be accomplished. The more than 45,000 Central States participants in Ohio will look forward to a fair & positive outcome. On November 8th, they will be seeking out those who share a commitment to effectuate PENSION JUSTICE FOR ALL---THANK YOU !


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cc. Senators; Sanders, Reid, Warren, Stabenow, Peters, Franken, Baldwin, Heitkamp, Booker, Klobuchar, Mikulski, Grassley, Markey, Cantwell, Mc Caskill, Manchin, Wyden