

**MICHAEL R. TURNER**

3RD DISTRICT, OHIO

COMMITTEE ON ARMED SERVICES

CHAIRMAN  
SUBCOMMITTEE ON  
STRATEGIC FORCES

COMMITTEE ON OVERSIGHT AND  
GOVERNMENT REFORM

ASSISTANT MAJORITY WHIP



**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515**

2454 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
(202) 225-6465

DISTRICT OFFICES:

120 WEST 3RD STREET  
SUITE 305  
DAYTON, OH 45402  
(937) 225-2843

61 EAST MAIN STREET  
WILMINGTON, OH 45177  
(937) 383-8931

September 14, 2011

The Honorable Timothy Geithner  
Secretary, Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

Dear Secretary Geithner:

On June 22, 2011, Ron Bloom, Special Assistant to the President for Manufacturing Policy, appeared as a witness before the House Oversight & Government Reform Subcommittee on Regulatory Affairs, Stimulus Oversight, and Government Spending during a hearing on the "Lasting Implications of the General Motors Bailout." At this hearing, I submitted to Mr. Bloom twenty-five written questions regarding the Pensions Benefit Guarantee Corporation's (PBGC) decisions surrounding the GM bailout and cuts to Delphi salaried retirees' pensions.

It is my understanding that Mr. Bloom has stepped down from his position effective September 1, 2011. I am seriously concerned about Mr. Bloom's lack of response to my inquiries regarding the Delphi salaried retirees' pensions and expect the Administration will still respond to these questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael R. Turner".

Michael R. Turner  
Member of Congress

## MEMORANDUM

**Date:** June 22, 2011

**To:** Ron Bloom

**From:** Congressman Michael R. Turner

**Re:** Questions Regarding the Treatment of Delphi Salaried Retiree Pensions

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1. The administrative record produced by the Pension Benefit Guaranty Corporation (“PBGC”) indicates that PBGC staff discussed the Delphi pension plans with officials from the Treasury Department and the Auto Task Force before the plan was finalized to cut the pension plans. At what date did the Auto Task Force know about the cuts to the Delphi pension plans?
2. In what manner was the Auto Task Force informed about the cuts to the Delphi Salaried Retiree pension plans?
3. Does the Auto Task Force acknowledge that they knew about the Delphi Salaried Retiree pension cuts prior to final administrative action from PBGC to implement any cuts to those pensions?
4. With what frequency did these discussions occur, and at what level?
5. Did the Auto Task Force initiate the discussions with the PBGC regarding the Delphi Salaried Pension plans?
6. Is the Auto Task Force consulted in PBGC pension fund plan settlement negotiations?
7. Did the Auto Task Force authorize, approve, or consent to the PBGC terminating the Delphi Salaried workers pension plans?
8. Does the Auto Task Force deny it had the authority to disapprove of the cuts to the Delphi Salaried Retiree pension plans?
9. What authority does the Auto Task Force have to prevent the cuts to the Delphi Salaried Retiree pension plans?
10. In the discourse between the Treasury, the PBGC and any other parties, what role did the Auto Task Force play in the decision to terminate the pension plan of the Delphi Salaried workers?
11. What was the position of the Auto Task Force in any of those discussions and the reasoning behind any decision to force only the Delphi Salaried workers to undergo substantial cuts in their pensions?
12. It was decided that certain hourly retirees and other union workers whose pensions were cut by the PBGC would have those pensions “topped-up” by the new GM. What role did the Auto Task Force have in that decision?
13. How much is the “topping-up” costing New GM?

14. Please describe the actual conflicts and potential conflicts between your duties as Senior Advisor to the Secretary of the Treasury and the Secretary's duties as a PBGC board member.
15. How did the Auto Task Force or the Secretary prevent conflicts between those two roles?
16. After the Treasury Department's increased involvement in General Motor's operations, General Motors seemed to reverse its position with respect to assuming the obligations of Delphi's pension plan for salaried workers. Please describe the role of the Auto Task Force in General Motors revering that position.
17. Please provide and describe any communications between the Auto Task Force and General Motors with respect to General Motors' position of assuming the obligations of Delphi's pension plan for salaried workers.
18. By the time the PBGC initiated termination proceedings against Delphi's pension plans, the PBGC held approximately \$200 million in liens against Delphi foreign assets, and estimated that there were approximately \$2.4 billion in Delphi foreign assets that the PBGC could potentially assert liens against. The PBGC ultimately released these liens as part of settlement agreements with New GM and Delphi, in exchange for payments by New GM which did not include Delphi Salaried Retirees pension plans. What role did the Auto Task Force play in approving and/or crafting this settlement?
19. When did the Auto Task Force become aware that the PBGC believed that there were \$2.4 billion in foreign Delphi assets upon which the PBGC could assert liens?
20. Did the Auto Task Force take part in negotiations with the PBGC in an attempt to have the PBGC release its liens against Delphi Assets? And in what manner?
21. When the Treasury Department communicated with the PBGC regarding the negotiation of a settlement agreement and the release of the PBGC's liens, did the Auto Task Force take any measures to ensure that the PBGC would not give undue weight to the negotiation position of GM and/or the Treasury Department due to political considerations?
22. The United Auto Workers has stated that Delphi Salaried Retirees should be treated with "fairness and equity". Additionally, the UAW stated in a letter dated January 15, 2010 that it supports providing the same "top-ups" to the Salaried workers as a matter of "fairness and equity" that were provided to the other Delphi workers. Does the Administration agree?
23. Did you recuse yourself from communications, negotiations, discussions, and/or any other aspect of the Auto Task Force's role in the termination of Delphi salaried retiree pension plans?
24. Please provide and describe documentation, including the effective dates and grounds for, of your recusal from communications, negotiations, discussions, and/or any other aspect of the Auto Task Force's role in the termination of Delphi salaried retiree pension plans.
25. Please provide and describe the Administration's plan for restoring Delphi salaried retirees' pensions and benefits.