



NATIONAL RETIREE LEGISLATIVE NETWORK, INC

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July 31, 2006

Ms. Elaine L. Chao, Secretary of Labor
U.S. Department of Labor
200 Constitution Avenue NW
Washington, DC 20210

Dear Madam Secretary:

As the more than 2 million members of the National Retiree Legislative Network (NRLN) see American companies being acquired by or merging with foreign corporations, we want to know what the U.S. Department of Labor is doing to protect the pensions and benefits of the retirees whose former employers are being swallowed up under a foreign flag.

If you have read the July 10, 2006 letter sent to you from the Lucent Retiree Organization (LRO), you know its members are concerned that Lucent Technologies—whose American heritage goes back to Western Electric and the early Bell System just prior to the dawn of the 20th century—is being acquired by France's Alcatel. The LRO has requested that you call upon the Employee Benefits Security Administration to require Lucent and Alcatel to take specified actions to ensure the security of Lucent retirees' pension and benefits as a prerequisite to gaining the U.S. Government's approval for the acquisition. Will the EBSA expeditiously intervene to see that there are adequate safeguards in the merger to protect the pensions and benefits earned by Lucent retirees through decades of their labor?

Here is another case. What has the EBSA done in response to the recent announcement by Daimler Chrysler AG that its retirees who are over the age of 65 and eligible for Medicare will be removed completely from the company's umbrella of health care benefits, including prescription drugs, effective December 31, 2006? The company's plan to replace the over-65 retirees' health care benefits with an annual "Health Care Retirement Account" of only \$1,750 is a sham.

The Daimler and Chrysler merger as well as the impending Lucent and Alcatel merger have been touted by the corporations as "mergers of equals." This is baloney. They are out right acquisitions by German and French corporations who ultimately call the shots that negatively impact the lives of American retirees.

For example, according to a business insurance article, this year Alcatel eliminated health care benefits for its U.S.-based retirees. While the retirees have the ability to access health care insurance through a company-sponsored plan, the retirees must bear the entire cost for coverage. Will the same thing happen to the 114,000 Lucent retirees once Alcatel's acquisition of Lucent is completed? Neither Lucent nor Alcatel will give the Lucent retirees an answer. The DoL should get the answer and inform Lucent retirees through the LRO.

NRLN members believe that U.S. Government agencies such as yours are allowing foreign corporations a free pass to abuse America's retirees. Pensions, health care and other benefits are provided by the government for the in-country employees of many of the foreign corporations. Unless the DoL takes a stand to protect the interests of America's retirees, foreign corporations that acquire or merge with U.S. companies will continue to destroy the retirement security of tens of millions of our citizens.

The Bush Administration still has another two and a half years as the leaders of our nation. During this period, what is the Department of Labor going to do under your leadership to stem the tidal wave of exploitation of America's retirees by foreign corporations? I shall look forward to your response.

Sincerely yours,

A handwritten signature in black ink, appearing to read "John J. ...", written over a grid of small squares.

President, National Retiree Legislative Network

Copy to:
George W. Bush, President of the United States
Josh Bolten, White House Chief of Staff