



NRLN Focus

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Winter 2008

Washington, D.C. Conference Report

A focus on key retirement legislative issues, implementing a new organizational structure, growing the grassroots network and hearing from individuals who gauge the pulse of government leaders highlighted the NRLN's 2008 Annual Leadership Conference and Board of Directors Meeting in Washington, D.C.

For the board members and others who had arrived at the Washington Court Hotel near Capitol Hill in the early afternoon of January 22nd, there was an informal discussion about the NRLN's 2008 goals and new operating structure.

President and Vice President, Legislative Affairs Kickoff Conference

New NRLN President Bill Kadereit, a Lucent retiree, opened the Leadership Conference reminding the audience that "The NRLN is the only U.S. organization dedicated exclusively to restore and advance both fixed income and health care benefits for current and prospective retirees through national legislative action."

Bill identified the NRLN's 2008 strategic goals as:

- Execute and deliver on legislative agenda objectives.
- Accelerate activism.
- Establish a more sustainable financial base.
- Grow at-large individual memberships.
- Grow the grassroots network.
- Expand and energize NRLN board and association leadership support.
- Continue to evolve and improve legislative agenda process.
- Advance the NRLN "brand" on Capitol Hill.

Bill went on to describe the NRLN's infrastructure and new roles for board members. The board has been expanded from 11 to 13 with the two new positions on the board to be identified in the future. Board members will also serve as Regional Vice Presidents to spearhead membership and grassroots network growth in geographic regions across the U.S. Bill also identified the leaders of NRLN committees. (A listing of board members and committee chairs can be accessed



NRLN 2008 Board of Directors:

(1st row l-r) Ray Sternot, Bob Foresta, Mary Ann Neuman [representing James Burns], Jane Banfield. (2nd row l-r) Ralph Maly, Bill Kadereit, JoAnn Alix-Gagain, Dick Ciocca. (3rd row l-r) John Leasher, Bob Martina, Chuck Gilbert.

through the "About Us" section of the NRLN website at www.nrln.org.)

Bob Foresta, a Detroit Edison retiree, is the new NRLN Vice President, Legislative Affairs. In his presentation he discussed the major initiatives that are part of the NRLN's 2008 Legislative Agenda. These included:

- Protection of defined benefit pension plan assets from use in corporate restructuring.
- Advocate the Maintenance of Cost Payment concept for corporate-sponsored health care benefits.
- Gain legislation to reverse the EEOC rule if it is not heard and overturned by the U.S. Supreme Court.
- Support Medicare "buy-in" whereby retirees under the age of 65 are offered an opportunity to buy into Medicare coverage at Medicare cost levels.
- Track the various National Health Care Plan proposals as they emerge and determine which ones best serve retirees.
- Appeal to congressional committees to hold hearings on retirement issues.
- Advocate Tax Reform that is in the interest of retirees.
- Seek legislation to make health care premiums deductible without AGI limits.

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- More details about the legislative agenda will be available on the NRLN website.

Bob concluded his presentation saying that the legislative agenda must become more than words on paper. To make that happen, the NRLN needs to increase association and individual membership participation, gain more grassroots advocates, and increase the number of individual and association contributions to the NRLN. (The 2008 Legislative Agenda is available to access through a link on the NRLN website home page at www.nrln.org.)

Washington Team Reports On Capitol Hill Issues

Two members of the NRLN's Washington, D.C. team, Marta Bascom, Executive Director, and Michael Calabrese, Legal Counsel, made co-presentations. Marta identified the congressional committees important to the NRLN and the climate for dealing with the committees. On the House side it is the Committee On Ways And Means and the Committee on Labor and the Workforce. On the Senate side it is the Committee on Finance and Committee on Health, Education, Labor and Pensions (HELP).

Marta and Michael agreed that the current name of the game in Washington, D.C. is "Who is going to be President of the United States in 2009?" They talked about how Democrats and Republicans in Congress will be careful not to push an agenda in 2008 that might harm whoever wins the party nominations. They agreed there would be limited opportunities to get large-scale bills, such as health care reform, passed in 2008.



Bob Foresta, NRLN Vice President, Legislative Affairs, discusses EEOC Rule with JoAnn Volk, AFL-CIO

wants to see introduced and passed.

Michael talked about his involvement with a number of retiree associations in the preparation of proxy proposals submitted by retiree shareowners. He said a number of the proposals received a majority of votes cast at annual shareowners meetings and a number of corporations had adopted the proposals advocated by retirees.

NRLN Committees Study Health Care and Pension Plans

Ed Bettinardi, Chairman of the NRLN's Health Care Advisory Committee (HCAC) and a Johns Manville retiree, was unable to attend the conference, but he provided a presentation that was delivered by Bill Kadereit. The HCAC has been reviewing proposed health care options for retirees and seniors since January, 2005. As many retirees know, corporations are backing out of prior commitments to provide health care benefits, leaving many with no coverage or reduced coverage at a higher cost to the retirees.

The HCAC believes the long-term answer to this problem is legislation to create Universal Health Care patterned after either Medicare or the Federal Employees Health Benefit Program (FEHB). The NRLN has adopted the National Coalition on Health Care specification and it's five governing principles. There are now more than 50 bills on various aspects of health care in Congress, none of which meet the NCHC's criteria. None of the bills have received enough support to advance out of committee. Some bills have been reintroduced each year for several years, but have not gained broad support.

The HCAC has reviewed the health care plan proposals by the leading presidential candidates. None of the candidates have provided enough details to satisfactorily evaluate them. The Democratic candidates favor plans based on providing subsidies to purchase health insurance from existing suppliers, either directly or through some modification of FEHB. The Republican candidates' plans are all based on Health Savings Plans and tax credits, none of which can be considered Universal Health Care.

The HCAC recommended that the NRLN concentrate in 2008 on fixes to Medicare like prescription drugs and Medicare buy-in for retirees under age 65. The committee will continue to monitor Congress' bills and presidential candidates' plans.

Bill reported to the group that a new committee has been formed, the NRLN Pension Advisory Committee (NPAC), under the chairmanship of Frank Minter who has substantial financial experience. The preliminary focus of the committee will be on defined benefit and other pension plans, Social Security retirement income, and mergers/acquisitions and foreign ownership impact on U.S. retirees' pensions.

Advocates For Medicare/Social Security And AFL-CIO Speak

The afternoon session started with presentations concerning the problems facing Medicare by Barbara Kennelly, former Congresswoman from Connecticut and now the President and CEO of the National Committee to Preserve Social Security and Medicare. Also at this

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session was JoAnn Volk representing the AFL-CIO. They stated that the fastest growing segment of uninsured Americans is retirees between the ages of 55 and 64 (estimated currently at 4 million). They discussed the rising number of retirees being enrolled in Medicare Advantage plans (about 20% of all Medicare participants).

Commenting on the rule recently published by the Equal Employment Opportunity Commission (EEOC), Ms. Kennelly stated that she believes there should not be discrimination against those age 65 and older Medicare-eligible retirees. However, Ms. Volk stated that the AFL-CIO supports the EEOC rule as a possible way to help protect health care benefits for younger retirees. Members of the audience pointed out that the EEOC does not protect those under age 65 from health care cuts.

House And Senate Staff Members Share Their Views

The next panel of Michelle Varnhagen from Representative George Miller's staff (House Education and Labor Committee Chairperson) and Michelle Evermore from Senator Tom Harkin's staff (Appropriations Committee Member) discussed the 2006 Pension Reform Act. Suggestions were made from the audience on amendments needed in the 2006 Act to

stop corporations from using defined pension plan funds to cover buy-outs and severance payments. With Defined Pension plans being replaced with 401K plans, the Congressional staffers estimated that 50 million workers now have only 401K plans. The extent of administrative fees charged by the managers of these 401K plans are unknown to as many as 80% of workers and retirees in these plans.

The lack of accurate disclosure of these administrative charges leads to a possible source of additional profit to fund managers and employers. Both of these panelists see limited action in 2008 on pension and health care reform. But, they see some opportunity this year for the NRLN to sub-



Gail Majewski, an officer of Southern New England Telephone Retiree Association (SRA), presents SRA's annual NRLN dues check to Bill Kadereit, NRLN President, as John Leasher, NRLN Vice President, Secretary/Treasurer, looks on.

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How You Can Help The NRLN

You can help us advance our Legislative Agenda by participating in our Grassroots Network efforts (sign up at <http://capwiz.com/abtr/mlm/signup/>) and by making an individual membership contribution of \$25, \$50, \$75 or more. Whatever amount you can contribute will be appreciated. You may mail your contribution check or money order payable to **NRLN, Inc.** along with the Membership Contribution Form below to the address shown on the form. Or, you may make your contribution online with your credit card through PayPal on the NRLN website at <http://www.nrln.org> by clicking on the "Support the NRLN" link on the home page. With help from you and other individuals, we can advance the NRLN mission of monitoring and enacting federal legislation that guarantees fair and equitable treatment of retirees. Thank you for your support.

Bill Kadereit, President National Retiree Legislative Network

NRLN MEMBERSHIP CONTRIBUTION

The NRLN is a nonprofit, tax-exempt organization. Contributions are not tax deductible.

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I get my pension check from (name of company)

Mail this form with your check or money order (no cash please) for \$25, \$50, \$75 or more (any amount is appreciated) **payable to: NRLN, Inc., PO Box 18757, Washington, DC, 20036-8757**



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mit its proposals to correct omissions from the 2006 Act.

Ms. Varnhagen said that a 1% difference in 401K fees over 30 years could make a 30% difference in dollars available for retirement. She said a General Accounting Office study reported that 37 percent of workers would never get anything from a 401K during retirement years because of withdrawals or plan losses during their working careers.

Ms. Evermore acknowledged that there are profitable companies that are freezing their defined benefits pension plans. She said that 401K plans are normally insufficient to provide sustained income during retirement.

McCain For President Adviser Talks About Health Care

Although advisors to all leading presidential candidates were invited to participate on a panel, only the health care advisor to the presidential campaign of Senator John McCain spoke. Dr. Doug Holtz-Eakin, Senior Economic Policy Advisor, McCain 2008, reported that Senator McCain is concerned about health care for all Americans. He said that the Senator is opposed to a single payer system. The Senator is focused on the overall health care costs and wants to bring those costs under control. The Senator believes it is imperative for Congress to do "something" about health care. This could include the streamlining of basic health care; establish payment for performance measurements; insurance market reform, and tax credits.

Presentations Explain Capwiz, Grassroots Network And Communications Media

The last three presentations of the day dealt with the effectiveness of using Capwiz to communicate with elected representatives; the overall security of the grassroots network database in Capwiz; growing the grassroots network; and using the **Focus** newsletter and the NRLN website for more effective communications.

Jason Janicki from Capitol Advantage, the supplier of the Capwiz system, explained that Americans send annually more than 200 million emails to members of Congress. Emails have become the preferred way to write to elected representatives as compared to sending letters through the U.S. Mail. Jason showed slides of the NRLN Capwiz web pages and explained how Action Alerts and sample letters can be made more effective. He also explained the safeguards for protecting names, email addresses and other contact information stored in the NRLN's Capwiz database. He noted that Capwiz has never had a security breach.

Bob Martina, who is a new NRLN board member serving as Vice President, Grassroots Network, made a presentation about how the grassroots network is

composed of Capwiz "subscribers." It is through the grassroots advocates that members of Congress learn from their constituents about the NRLN's legislative agenda and the NRLN's positions on retiree issues. From this group of grassroots advocates volunteers are recruited to serve as state and congressional district leaders. Bob identified states and districts where leaders have been identified and where they are still needed. He also showed how board members serving as Regional Vice Presidents would interface with the grassroots network.

Ed Beltram, NRLN Vice President, Communications, made a presentation on plans for enhancing communications with NRLN members through emails, the **Focus** newsletter and the NRLN website. He also made a presentation prepared by Joe Sciuilli, the NRLN Webmaster, on the traffic to the NRLN website at www.nrln.org and enhancements being made to the website's home page.

NRLN Board Meeting Addresses Policies And Objectives

The NRLN board meeting on January 24th opened with three new board members in attendance: Ralph Maly, Communications Workers of America Vice President representing the CWA Retired Members Council; Bob Martina, representing the Lucent Retirees Organization; and Ray Sternot, representing the Association of Ameritech/SBC Retirees. While the LRO and AASBCR have been affiliated with the NRLN for a number of years, the CWA Retired Members Council with its 163,000 members is a new NRLN member association.

President Bill Kadereit announced that Dick Ciocca, a Prudential retiree, had accepted appointment as President of the NRLN Agency. This Board manages the NRLN's subsidiary that so far offers life insurance and property and casualty insurance to NRLN members at group rates. Other Agency Board members are Bob Foresta; Chuck Gilbert, a Pacific Bell retiree; Bill Kadereit, and John Leasher, a Johns Manville retiree.



Detroit Edison Alliance of Retirees Has Championed Protection Of Pension And Healthcare Benefits

By Jim Piana, DEAR President

DEAR (Detroit Edison Alliance of Retirees) was formed in 1999 as a not-for-profit retiree organization dedicated to preserving earned pension and health care benefits for all Detroit Edison Company retirees. DEAR expanded in 2001 to include retirees of newly acquired Michigan Consolidated Gas Company, now part of DTE

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Energy Company.

In its early years, DEAR's attempts to discuss concerns of retirees with Company management encountered a cordial but cool reception. Our initial, and still current, outlook was to try to approach the Company in a win-win situation. We did not seek increases in benefits, only asking the Company to continue the promised, earned benefits throughout retirement.

The one exception was to obtain some pension enhancement for older retirees who had never seen any adjustment in their initial pensions. In 2001, we managed to meet directly with the CEO of DTE Energy and that led to the first ever across the board lump sum payment to all retirees who retired prior to 1994.

Gradually, joint DTE/DEAR meetings became more regular with DEAR pointing out ways that we believed the Company could save on health care costs; early emphasis concerned the prescription drug plan. DTE listened and included DEAR representatives on the bid evaluation team for prescription drugs and saved several million dollars. That led to a joint health care task force to explore other areas to lower the companies' health care costs. We also were invited to quarterly meetings with DTE management that continue to this day.

In 2006, DTE, like most of corporate America, felt that even with the savings that we helped the company to achieve, the overall cost of the benefit package was still outpacing inflation. One of their proposed solutions was to consider lowering or dropping age 65 and over Medicare-eligible retirees from their health plans.

We took our concerns to the Michigan Public Service Commission and that led to a settlement meeting. DTE and DEAR signed a settlement agreement providing for a three-year moratorium for all health care design changes, a 25% reduction in healthcare premiums and zero cost increases in deductibles, co-pays and co-insurance for non-represented retirees and surviving spouses.

Another move by the company was to turn over all administration of its pension and health care plans to Hewitt Associates. The transition to this action led to health care enrollment problems and DTE and DEAR agreed to another joint task force to meet quarterly with Hewitt representatives to try to avoid future problems. This task force continues to meet on a regular basis.

While the DEAR board remains committed to work together with DTE management, we strongly believe that earned healthcare benefits need Federal legislation to preserve those benefits. In 2004, DEAR joined the NRLN organization and has taken an active role to achieve that goal.

A View From Washington

By Marta Bascom, NRLN Executive Director



Marta Bascom

Presidential campaign politics have taken over Washington, D.C. and the entire country. While it may seem to stand apart from legislative activity on Capitol Hill – and it should – every effort is being made on both sides of the aisle to make sure that the opposing party doesn't make too many gains as a result of this activity. One important measure for retirees that did pass after a tumultuous battle is the economic stimulus package. Originally, the package agreed upon by President Bush and members of the House of Representatives did not include rebates for low-income retirees. The Senate, after an impressive push by the NRLN and other organizations, passed the bill with a retiree component. This was ultimately accepted by the House of Representatives and signed by President Bush on Feb.13. Congress felt the strength of retirees in this country and acted accordingly.

This is an important time on Capitol Hill for setting the agenda for the coming year in Congress. Several hearings are expected this spring on issues affecting retirees, including a general hearing on pension issues. The NRLN has been discussing several pension issues on its agenda with Hill staff in anticipation of hearings in the spring and summer. Health care will also play a big role as issues such as prescription drug importation and other bills designed to bring down health care costs take the stage throughout the year. The NRLN is working on all of these issues and is also leading the charge on creating incentives for companies to maintain health care benefits for their retirees. This is a key issue that affects so many retirees in this country. The NRLN is working with congressional committee staff to raise the level of consciousness as to the driving need for companies to keep their promises to retirees.

These efforts set the foundation for further activity on issues important to the NRLN. There are a wide variety of issues within the pension and health care arenas that are part of the NRLN's Legislative Agenda. A summary page and the full NRLN Legislative Agenda can be reviewed at www.nrln.org. Congress will not legislate on every single agenda issue this year, but the NRLN is bringing them to their attention and will continue to do so. As mentioned at the top of this column, Congress has felt the strength of retirees before, and it will again and again.



Future Policy On *Focus* Newsletter

In the April 2007 NRLN online survey one of the questions asked dealt with the publishing of the NRLN **Focus** newsletter. Of the 4,164 individuals responding to this question, 71.3 percent indicated that members with email addresses should be notified that **Focus** is available to read on the NRLN website in order to save printing and mail costs.

In response to the survey input, future issues of **Focus** will be mailed only to members who do not have an email address. If you have an email address but do not receive emails from the NRLN, such as Action Alerts, you should do one of the following in order to be notified when a new issue of **Focus** is available to be read on the NRLN website at www.nrln.org.

Sign up or update email address to be part of the NRLN's Grassroots Network at <http://capwiz.com/abtr/mlm/signup/> or Send an email to nrlnmessage@msn.com and request that your name and email address be added to the NRLN's email database.

Your acceptance of this new policy will allow the NRLN to direct more of its financial resources toward gaining the passage of legislation to protect retirees' pensions and benefits.

National Retiree Legislative Network, Inc.

The NRLN is the only nationwide organization solely dedicated to representing the interests of retirees and future retirees. Our mission is to secure federal legislation to protect retirees' employer-sponsored pensions and benefits plus keep Social Security and Medicare strong.

President

Bill Kadereit – bkad@sbcglobal.net

Vice President, Secretary/Treasurer

John Leasher – johnleasher@comcast.net

Vice President, Legislative Affairs

Bob Foresta – robertforesta@sbcglobal.net

Vice President, Memberships

JoAnn Alix-Gagain – jagagain@snet.net

Vice President, Grassroots Network

Bob Martina – rfjm9870@aol.com

Board Members

Jane Banfield – janebanfield@aol.com

James Burns – jimbea713@aol.com

Joseph R. (Dick) Ciocca – jrcdick@hotmail.com

Chuck Gilbert – chuck@dlsusa.com

Ralph Maly – rmaly@cwa-union.org

Ray Sternot – rsternot@ameritech.net

NRLN Headquarters

601 Pennsylvania Avenue, N.W.

Suite 900, South Building

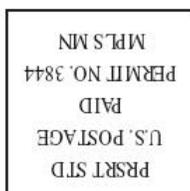
Washington, D.C. 20004-2601

Tel: 202-220-3172 or 1-866-360-7197

Website: <http://www.NRLN.org>

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National Retiree Legislative Network, Inc.
601 Pennsylvania Avenue, N.W.
Suite 900, South Building
Washington, DC 20004-2601