

May 7, 2010

To: All NRLN Grassroots Network Members
From: NRLN President Bill Kadereit
Subject: NRLN Action Alert – Corporate Bankruptcy Reform Needed To Protect Retirees

The NRLN's Washington, DC team has been working for a number of months with House and Senate committee staff members to explain why Congressional hearings need to be conducted on the unfairness that retirees—especially salaried retirees—encounter when their former employer declares bankruptcy. While a number of staff members have gained an appreciation for the disastrous inequities of corporate bankruptcy law with regard to retirees, Representatives and Senators need to be likewise educated and convinced by their constituents.

Delphi, Chrysler, GM, Delta Air Lines and other retiree members of the NRLN either have or might suffer significant health care and income losses under current bankruptcy law. Delphi retirees lost their health care benefits and their pension plan was taken over by the PBGC, resulting in pension losses of 25-40%. Many Delta Air Lines pilots lost even more of their pensions when the PBGC took over the pilots' pension plan.

The NRLN proposal seeks to establish an equal standing with other creditors and suppliers regarding the right to claim that company assets be liquidated and used to insure payment of health care and pension benefits.

I am asking you to send the NRLN's sample letter to your elected representatives to request their support for hearings and legislation to provide fairer treatment for retirees in bankruptcy courts. Please go to <http://capwiz.com/abtr/home/> to access the NRLN Action Alert. Look for the Action Alert headline: CORPORATE BANKRUPTCY REFORM NEEDED TO PROTECT RETIREES. Click on the "Take Action" button. On the next screen, type in your zip code and click "GO" to identify your lawmakers and access the sample letter. Be sure to personalize the letter with your own comments. If you have a problem accessing the Action Alert with the above link, go to www.nrln.org and click on the "Take Action Now" headline at the top of the NRLN website's home page. Send your email today.

It would also help to call the Washington, DC or state/district office of your Representative and Senators. Use the information in the sample letter to express your support for bankruptcy law reform. A copy of the letter that you send to your lawmakers will be automatically emailed to you. Phone numbers can be found through the NRLN's Capwiz website at <http://capwiz.com/abtr/dbq/officials/>. The more constituents who write and call their Representative and Senators, the better chance there is in gaining their attention on retirement issues.

We need the support of all of our Grassroots Network members and we need you to encourage your friends to sign up as Grassroots Network members at <http://capwiz.com/abtr/mlm/signup/>. Not only do we need you and your friends to email letters to Washington and talk with your members of Congress, we also need your financial support through an individual member contribution of \$25, \$50, \$75 or more. Any amount you can contribute will be appreciated. You may make your check or money order payable to **NRLN, Inc.** and mail it along with the Membership Contribution Form at: <http://www.nrln.org/printad.htm>. 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 "Memberships" icon at the top of the home page and selecting the "Support the NRLN" link.

Bill Kadereit, President
National Retiree Legislative Network

Sample Letter:

Dear Representative _____: Dear Senator _____:

As your constituent, I am writing to request that you call for hearings to be conducted by the House and Senate Judiciary Committees and/or Subcommittees on the unfairness that retirees—especially salaried retirees—

encounter when their former employer declares bankruptcy. It is unconscionable that retirees can lose their retirement benefits and even their pension without legal recourse in the corporate bankruptcy process. This is a growing, immediate concern among retirees as more and more companies file for bankruptcy in today's economic climate.

Under current law, bankruptcy courts have historically protected shareholders, bondholders, creditors and vendors who voluntarily assume risk and realize returns appropriate to the risk they are willing to take when dealing with companies. Retirees who had no say in assuming risk regularly lose health care, life insurance and other vital, bargained-for benefits. In numerous corporate bankruptcies, an underfunded pension plan is taken over by the Pension Benefits Guaranty Corporation (PBGC) and many retirees lose a significant percentage of their pension income. While investors, creditors and vendors often rebound from bankruptcy losses, retirees have no way to recover what they lose.

I support the position advocated by the National Retiree Legislative Network (NRLN) that retirees should be provided protection for the pensions and benefits they earned through decades of labor for their former employers. Congress needs to take action to give retirees legal standing in corporate bankruptcy proceedings.

I urge you to speak up for the need to have hearings to gain a better understanding of the plight of retirees when their former company files for bankruptcy. The NRLN has prepared a white paper that identifies the disastrous inequities of corporate bankruptcy law with regard to retirees. To receive a copy of the white paper, contact Marta Bascom, NRLN Executive Director on (703)863-9611 or via email at marta.bascom@linkspace.net .

I look forward to hearing from you that you will contact the Judiciary Committee and ask for hearings and legislation to provide fairer treatment for retirees in bankruptcy courts.

Sincerely,