



NATIONAL RETIREE LEGISLATIVE NETWORK, INC

NEWS RELEASE

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For Information Contact:

A. J. (Jim) Norby
218-863-8116
anorbz@aol.com

Bill Kadereit
214-725-5289
bkad@sbcglobal.net

Ed Beltram
719-687-6157
edbeltram@msn.com

Retirees Leader Calls On Secretary of Labor To Stop Exploitation of America's Retirees By Foreign Corporations

Foreign Acquisitions and Mergers Destroying Retirement Security

(WASHINGTON, D.C., August 1, 2006) The leader of more than 2 million retirees today called on Secretary of Labor Elaine Chao to stop the exploitation of America's retirees whose former employers are being swallowed up under a foreign flag.

"U.S. Government agencies such as the Department of Labor are allowing foreign corporations a free pass to abuse America's retirees," A. J. (Jim) Norby, President of the National Retiree Legislative Network, stated in a letter to Secretary Chao. "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."

As examples, Norby cited in his letter the impending acquisition of Lucent Technologies by France's Alcatel and the acquisition of Chrysler Corporation by Germany's Daimler-Benz AG in 1998.

Norby noted that the corporations tout these as "mergers of equals." "This is baloney," Norby said. "They are outright acquisitions by German and French corporations who ultimately call the shots that negatively impact the lives of American retirees."

"We know that the Employee Benefits Security Administration in the DoL has not done anything to protect the health care benefits of the Chrysler retirees," Norby said. "It remains to be seen whether the EBSA will lift a finger to require Lucent and Alcatel to secure Lucent retirees' pensions and benefits as a prerequisite for the merger."

Norby said that Lucent has reported to the Securities and Exchange Commission that the management retirees' pension plan was \$1.2 billion under funded as of December 31, 2005 based on Financial Accounting Standards Board rules. He added that Lucent has refused to disclose to the Lucent Retirees Organization (LRO) what the status of retirees' health care benefits will be in 2007 and whether there are sufficient funds to cover future life insurance benefits promised to retirees.

According to a published report, 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.

Norby has asked Secretary Chao whether the same thing will happen to the 114,000 Lucent retirees once Alcatel's acquisition of Lucent is completed. He requested that the DoL obtain the answer and inform Lucent retirees through the LRO.

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NRLN Says ‘Stop Destroying Retirement Security’ – Page 2

DaimlerChrysler AG recently informed Chrysler retirees that those 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. “A sham,” is what Norby called the company’s plan to replace the over-65 retirees’ health care benefits with an annual Health Care Retirement Account of only \$1,750.

“The Bush Administration still has another two and a half years as the leaders of our nation,” Norby wrote to Secretary Chao. “During this period, what is the Department of Labor going to do to stem the tidal wave of exploitation of America’s retirees by foreign corporations?”

Norby said that the more than 2 million members of the NRLN support health care reforms that provide coverage for more Americans at more reasonable costs.

“We are dismayed that Congress has not taken seriously the need to protect retirees’ health care benefits by passing legislation such as HR 1322,” Norby said. “Too many corporations such as DaimlerChrysler and Alcatel are leaving their older workers and retirees who are more prone to serious health problems without adequate health care benefits to meet their needs.”

Based in Washington, D.C., NRLN is dedicated to securing federal legislation that will guarantee the fair and equitable treatment of retirees in private and public sector health and pension programs. NRLN represents a non-partisan, grass roots coalition of retiree associations with a combined membership of more than 2 million men and women who are seeking to protect their pension and health care benefits. For more information, visit the NRLN Web site at www.nrln.org.

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