

EXTENSIONS OF REMARKS

THE INTRODUCTION OF THE
"EQUAL TREATMENT OF PEN-
SIONS AND BANKRUPTCY ACT OF
2003"

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 2003

Mr. CONYERS. Mr. Speaker, today, I am introducing the "Equal Treatment of Pensions and Bankruptcy Act of 2003" to eliminate an unfair and abusive practice that has allowed corporate insiders to protect their exorbitant pensions even as their employees jobs and retirement savings are obliterated in bankruptcy.

Recently, some in top corporate management have attempted to insulate their pension benefits by placing them in a trust that would be beyond the reach of the bankruptcy court. As a result, while employees lose their jobs, pensions, and other benefits, these insiders are able to walk away from the bankrupt company with a substantial windfall. This immoral tactic does not benefit the rehabilitation of the business. To the contrary, it loots the company of assets that could be used to pay creditors, employees, and help the company successfully emerge from bankruptcy. It is bad for business, it is bad for unpaid creditors, it is bad for the families who are shattered by the failure of a company.

This is an ongoing problem. In April, American Airlines enraged employees by threatening to shut down the company if they didn't accept billions in steep pay and benefit cuts, while secretly setting aside millions in pension guarantees for top executives. Although CEO Donald Carty resigned in April, American has kept its executive pension plan.

The legislation provides that if the company places any supplemental retirement benefits or deferred compensation in a trust for the benefit of management or another insider, the court will have the authority to reclaim those funds for the benefit of the creditors, including the employees. It also clarifies that a party with an interest in the case or a committee of creditors may bring a motion to reclaim these funds if the trustee or the debtor in possession consents or fails to bring such a motion. While these parties are now permitted to bring such motions, as recently reaffirmed by the U.S. Court of Appeals for the Third Circuit in the Cybergenics case, this bill reaffirms that right under the Code.

This is pattern of abuse is becoming ever more widespread. We must protect the livelihood of the average American worker and their families and ensure that top executives are not allowed to pillage a firm and enjoy protection in bankruptcy that would be denied to the people who are least to blame for the bankruptcy.

A TRIBUTE TO TSCL'S
LEADERSHIP

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 2003

Mr. JONES of North Carolina. Mr. Speaker, it is a pleasure for me to introduce to you the TREA Senior Citizens League and its new leadership.

The TREA Senior Citizens League (TSCL) is a national group of politically active seniors concerned about the protection of their earned Social Security, Medicare, military, and other retirement benefits. TSCL originated as a group of retired enlisted servicemen and women. TSCL is among the largest seniors groups with over 1.2 million active members. It is a non-partisan, non-profit educational and advocacy organization.

Key issues for TSCL include Social Security COLA fairness; using a separate CPI-E consumer price index for the elderly to calculate COLA for seniors; Notch reform; and a fair medicare and prescription drug coverage. One of the main issues continues to center on Notch reform and providing either a lump sum benefit over four years or an improved benefit calculation for those individuals born in the years 1917–1926. It is also important to ensure that future generations do not receive lower benefits because of the year in which they were born or because of government miscalculations in the Social Security system.

Since 2001 TSCL has been under the leadership of Board of Trustees Chairman George Smith with board members Ms. Dottie Holmes, Mr. Fred Athans, Mr. Richard Brogan, and more recently Mr. Ralph McCutchen. The elected TSCL Board of Trustees is a volunteer board governing the organization. Retirees and near-retirees make up the board and volunteer their services with the goal of improving the lives of fellow seniors. It was a pleasure for me to meet with their fine Board of Trustees Members List October at their offices in Alexandria, Virginia.

Under the forward-looking leadership of George Smith, the organization is determined to gain greater credibility and respectability both in Congress and in the country as a whole. In this regard Chairman Smith is to be commended for enlisting my good friend and former colleague in Congress Former Ambassador David Funderburk as TSCL's Legislative Consultant.

The legislative program for the organization for the 108th Congress includes plans for personal meetings with over half of the Members of Congress to try to gain support for issues of interest to seniors and TSCL members. TSCL efforts in these tasks have been boosted by the recent scholarly study of noted economist Dr. John Haldi that verifies the viability of the Notch. The organization has an active website, newsletter and direct mail communication with its members.

Just in the first half of 2003, TSCL has hosted a press conference in the Capitol, and

worked with Members of Congress and the White House on the prescription drug issue. A Dear Colleague letter from six Members of Congress has introduced the organization and its issues to the whole Congress. Several Members of the House and Senate have recently contributed articles on seniors issues to the TSCL newsletter: The Social Security & Medicare Advisor. And I am pleased to say that TSCL strongly supports my bill: The Social Security Guarantee Act.

Since Mr. Smith took over leadership of the TSCL Board of Trustees he has brought a seriousness of purpose and a determination to build credibility and respect for the organization. He insisted that the group's educational efforts through direct mail be well researched and documented. As Chairman Smith says, TSCL does not sell anything. Rather it strives to educate the public about issues important to senior citizens. Since so many of them have served their country in the military and in so many other ways, they are especially deserving of fair treatment.

When Mr. Smith one day completes his voluntary stint as Chairman of the TSCL Board of Trustees he should be able to say that he has left the organization much better off than he found it. He is to be commended for his vision and his desire to help some of the most worthy and needy of all of our citizens: our senior citizens including many who served the military and fought for their country. I am happy to pay tribute to the organization and its leadership.

SHED LIGHT ON HIDDEN FEES

HON. LUIS V. GUTIERREZ

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 2003

Mr. GUTIERREZ. Mr. Speaker, today I am introducing the "Wire Transfer Fairness and Disclosure Act of 2003," a bill to require additional disclosures relating to exchange rates in transfers involving international transactions.

Immigrants throughout the United States work hard, save money and send billions of dollars to relatives living in foreign countries. The money sent home helps finance basic needs ranging from food and medicine to education to new homes. Unfortunately, customers wiring money to Mexico are often losing millions of dollars to undisclosed "currency conversion fees" charged by giant firms such as Western Union and MoneyGram.

Wire Transfer companies aggressively target audiences in immigrant communities with ads promising low rates for international transfers. However, such promises are grossly misleading particularly for those with ties to Mexico or other Latin American countries, since companies do not always clearly disclose extra fees charges for converting dollars into Mexican pesos. While large wire service companies typically obtain pesos at bulk bargain rates, they charge a significant currency conversion fee to their U.S. customers. The exchange rate charged to customers sending

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