



Joint Select Committee *on the Solvency of Multiemployer Pension Plans*

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BROWN OPENING STATEMENT AT JOINT PENSION COMMITTEE HEARING

WASHINGTON, D.C. — U.S. Sen. Sherrod Brown (D-OH) – co-chair of the Joint Select Committee on the Solvency of Multiemployer Pension Plans – released the following opening statement at today’s hearing.

Opening Statement of Senator Brown – Pensions Hearing on How the Multiemployer Pension System Affects Stakeholders

July 25, 2018

Thank you Senator Hatch for your continued work on this committee. I also want to thank my colleagues Senator Baldwin and Senator Johnson for being here today to introduce one of our witnesses, Kenny Stribling.

I also want to thank all of the members of the committee who joined Rob and me two weeks ago in Ohio for our field hearing.

That hearing was particularly important for us to hear the perspectives of the workers and retirees and small business owners who have the most to lose if Congress doesn’t do its job.

Roberta Dell works at Spangler Candy Company in Bryan, Ohio, and I think she put it pretty succinctly – she said if nothing is done, quote, “a lot of us will go belly-up, that’s the bottom line.”

We know the same could be true for small businesses. Bill Martin, the President of Spangler, explained that, quote, “In Central States, the vast majority of [the] 1,335 contributing employers

are small businesses like us. This issue hinders the success and growth of our businesses who already struggle to be competitive.”

These businesses and their employees did everything right. They contributed to these pensions, in many cases over decades.

And they are the ones whose lives and livelihoods will be devastated if Congress doesn’t do its job.

When I think about the responsibility we have, I think about the words of Larry Ward at that hearing.

He said, “I don’t understand how it is that Congress would even consider asking us to take a cut to my pension, or see it go away entirely, when it had no problem sending billions to the Wall Street crooks who caused this problem in the first place.

“They used that to pay themselves bonuses. We use our pensions to pay for medicine and food and heat. There is something wrong with this picture.”

If we do not find a way to compromise and come together on a bipartisan solution, he’s right, there will be something very wrong with this picture.

But I think we are going to be successful. I saw a lot of opportunity for bipartisan cooperation at that hearing. Rob and I both talked about how we are putting aside talking points, listening to all ideas, and working in good faith.

And I believe that’s true not just of the two of us, but of all of us on this committee.

The staffs of all 16 members have met for more than 30 hours of briefings by stakeholders and experts. We have met six times with five public hearings.

We know this is a complicated problem that won’t have easy answers. It’s really three related issues.

First and most importantly, we have the threat to participants and businesses in multiemployer plans that are currently on the path to insolvency. Current law doesn’t contain a remedy for the largest of these plans.

Second, the looming failure of these plans means the imminent failure of the Pension Benefit Guaranty Corporation. The PBGC and the multiemployer system made a devil’s bargain years ago, trading vastly inadequate premiums for a vastly inadequate benefits guarantee.

Now that bargain threatens to bring down the entire multiemployer system. We have heard over and over on this committee about the \$67 billion deficit at the PBGC. What that means is that the moment one of these large plans fails, it brings down not just that plan, but the entire multiemployer system.

Third and finally, these impending crises mean that it isn't enough just to fix the crisis today for these individual plans. We can't just put a band-aid over this, leaving the problems with the underlying system to fester and erupt into another crisis five or ten years down the road.

We need prospective changes to make sure we never find ourselves in this situation again.

That's the jurisdiction of this committee. These are the three issues we have a mandate to solve for the workers like Roberta and the businesses like Spangler Candy and the retirees like Larry. Failing to address all three of these issues together would be abandoning the responsibility we have to our constituents and to this country.

Chairman Hatch and I met last week, and we are both committed to a bipartisan solution. And we must begin bipartisan meetings with all the members of the committee soon.

We're all aware of the challenges that still lie ahead. But I believe we are going to get there. Too much is at stake for us to retreat back into partisan corners, as we will hear today from our witnesses.

I look forward to hearing from them today, and to working with all of my colleagues toward solution.

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