



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 Employers’ Perspective on the Multiemployer Pension System

June 13, 2018

I would like to welcome my colleagues and everyone in attendance to the third hearing of the Joint Select Committee on Multiemployer Pension Reform.

We know our job on this committee – to find a bipartisan solution to the crisis threatening 1.3 million Americans and thousands of small businesses across this country.

This is what Chairman Hatch and I have set out to do and I want to thank him for all of his work so far, and all of the members on this committee for the seriousness with which everyone is approaching this.

Chairman Hatch and I decided from the outset to use this initial period to educate ourselves and our colleagues about this complicated issue and its broad impact on the people we serve.

We’ve made real progress already. This will be our fourth meeting and we have three more hearings scheduled. In addition, we have assembled a committee staff made up of top people from the Pension Benefit Guarantee Corporation and the Department of Labor.

The staff are working to provide us with the critical technical information the members of this Committee require, and deepening and broadening their expertise on the subject. In June alone we are convening a dozen staff briefings, half of which have already taken place.

We've received hundreds of comments online at pensions.senate.gov. In fact, one of our witnesses today came to our attention when he wrote in to the Committee.

As I said, we will hold two more hearings here in D.C., and one more in the field, where the workers and businesspeople and retirees will have the chance to weigh in.

And then by the end of July, it will be time to take what we have learned through this process, and get serious about negotiating a bipartisan solution.

That is what it will take to address the problem. We all have to put our talking points and biases aside and take what we are learning to craft a bipartisan solution. Senator Hatch and I intend to do just that.

Because, as we will hear today, not passing a solution to this crisis is simply not an option.

It's not an option for the millions of Americans who are part of these multiemployer pensions, it's not an option for the millions more who will still be affected if the system falls apart, and it's not an option for the thousands of employers whose entire business is at stake.

We've heard a lot over the past year about the very real threat to the retirees who paid into these pensions over a lifetime of work. Many of us have talked with them and heard their stories. It's because of their activism and their refusal to give up that we created this committee in the first place.

But the threat to current workers and to small businesses – and to our economy as a whole – is equally real. If the multiemployer pension system collapses, it won't just be retirees who will feel the pain.

Current workers will be stuck paying into pensions they'll never receive. Small businesses will be left drowning in pension liability they can't afford to pay.

And that will have ripple effects throughout our economy.

Small businesses that have been in the family for generations could face bankruptcy. Workers will lose jobs at businesses forced to close up shop. These businesses are already feeling the effects of this crisis. Uncertainty surrounding their future threatens their access to credit, their ability invest in the business, and their decisions as to whether to expand and create jobs.

That's why this issue cuts across party lines, across ideological lines, and through every region of the country.

One of the reasons we have heard more from workers than from businesses is that retirees are more free to speak their minds.

But we need to think about the plight of these small business owners. If they speak publicly about fearing their business could go bankrupt, they'll alarm their customers, their employees, and their creditors.

So I want to thank the witnesses here today for speaking for the thousands of small businesspeople who can't.

You represent businesses that have, by and large, done everything right.

They joined multiemployer pension plans to do right by their employees – they thought they were guaranteeing their workers a secure retirement, making their business an attractive place to work.

They followed the rules set by Congress. They kept doing the work to make their business thrive. They kept contributing to the pension plan. Now, these employers are being punished for succeeding where their competitors failed, and for living up to their obligations when so many have walked away.

Meanwhile, it was Congress that passed upside-down tax incentives and required insufficient premium levels. Congress allowed inadequate tools and financing for the PBGC.

It was that government regulation that allowed this crisis to fester, and it's our responsibility to clean up the mess Congress helped make.

And that means more than increasing PBGC premiums and marginally improving the miniscule PBGC guarantee.

Businesses and the groups that represent them all agree, saving the PBGC alone does not help anyone – retirees will still see dramatic cuts to their pensions, workers will still pay into a retirement they may never see, and businesses will face increased PBGC premiums, while a crippling liability still hangs over their heads.

I'm confident we can find a bipartisan solution that will both solve this current crisis, and improve and strengthen the system so that it never happens again.

I'm willing to consider any idea that meets those goals, and I believe Chairman Hatch agrees. And with that, I yield to my co-chairman, Senator Hatch, for his opening statement.

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