

**EDUCATION & LABOR COMMITTEE**

**Congressman George Miller, Chairman**

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Press Office, 202-226-0853

**Chairman Andrews Statement at Subcommittee Hearing on The Proposed Delta/Northwest Airlines Merger: The Impact on Workers**

WASHINGTON, D.C. – *Below are the prepared remarks of U.S. Rep. Rob Andrews (D-NJ), chairman of the House Subcommittee on Health, Employment, Labor, and Pensions, for a subcommittee hearing on “The Proposed Delta/Northwest Airlines Merger: The Impact on Workers”*

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Good morning and welcome to the Health, Employment, Labor and Pensions (HELP) subcommittee hearing on “The Proposed Delta/Northwest Merger: The Impact on Workers.” We appreciate the attendance of the witnesses as well as the members of the public who are with us here today for what I think promises to be an edifying and interesting hearing.

In 1974, the Congress established the Employee Retirement Income Security Act, known as ERISA, and one of the best aspects of that law, which enjoyed the support of both Republicans and Democrats and I think has endured the test of time, is that a commonplace occurrence prior to 1974 became exceedingly rare; and that occurrence was that people who depended on a pension often lost it prior to 1974 for a variety of reasons.

Unfortunately, that situation is quite relevant to pensioners and workers in the airline industry today, and the reason that we are here is to examine the question of whether present regulatory tools adequately or inadequately deal with protecting the interests of pensioners and workers in a very turbulent industry.

It is not simply the interest of pensioners and workers, however that interests us today. It is also the interest of the American taxpayer, because although there is not a statutory obligation to stand behind the obligations of the Pension Benefit Guaranty Corporation, I think most Americans assume that their government would in fact stand behind those obligations.

Furthermore, as we have seen in recent days with the activities of Fannie Mae and Freddie Mac and other institutions over the years, in fact there appears to be a moral hazard where should the unwelcome day come when the assets of the Pension Benefit Guaranty Corporation are insufficient to meet obligations to American retirees, the federal government, in all likelihood, high probability, would step in and do something about that.

So there is a taxpayer interest here as well as an obvious interest for workers and retirees.

We are going to look with some specificity at the proposed merger between Northwest and Delta, but our purpose is broader than that. Our purpose is to understand the policy issues that are implicated by mergers in a turbulent industry, the effect of those mergers on workers, on retirees and on the taxpayers of the country.

I thank the distinguished panel of witnesses we have assembled here today and look forward to hearing their testimony today.

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