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ENVIRONMENT AND PUBLIC WORKS

VETERANS' AFFAIRS

SMALL BUSINESS AND
ENTREPRENEURSHIP

June 27, 2006

To the Editors of the Wall Street Journal:

I take great exception to the premise of your editorial ("Pension Crash Landing," June 27, 2006) that the pension reform Congress is negotiating will result in a taxpayer bailout of the airlines. In fact, this proposed pension reform will protect the American taxpayer.

Given the difficulties of most defined-benefit pension plans today, it is critical for Congress to reform our pension laws. The failure to do so will almost certainly lead to companies defaulting on their pension obligations and shifting that burden onto the American taxpayers.

You say it's wrong to give airlines with defined-benefit plans additional time to meet their pension obligations. Don't you want those airlines to honor their commitment to their employees? Don't you want to lessen the chances of those airlines shifting their obligation to the federal Pension Benefit Guaranty Corporation (PBGC)?

In the Delta Air Lines case, more than 5,800 Delta pilots voted overwhelmingly to terminate their defined benefit pension plan and switch to a defined-contribution plan. This step, combined with a new collective bargaining agreement and the proposed pension reform legislation, has succeeded in limiting the liability of the taxpayers. Furthermore, these steps will help to ensure that Delta does not turn over the pension plan for its other 91,000 employees to the PBGC.

I was elected by the taxpayers of Georgia and I make no apology for supporting a pension reform that will help the employees of one of Georgia's largest companies while also protecting all American taxpayers.



Johnny Isakson
United States Senate