



**Volume I, Issue 2**

**Summer 2004**

**Welcome to the second issue of the *NRLN Newsletter*.**

For most of you, this is your first newsletter as a member of the NRLN. This is to acknowledge your application and receipt of dues and to thank you for becoming a new member. The response to our appeal for new members has been very impressive. Congratulations on deciding to join an organization where thousands of retired and pre-retired Americans have united in a common cause.

The National Retiree Legislative Network, Inc. (NRLN) was formed several years ago by a group of retirees, just like you, who had become dissatisfied in the manner in which they were being treated by their former employers.

This is an important year for us, because it offers us an opportunity to change the composition of Congress to one where we may have a better opportunity to pass legislation that is sympathetic to our issues and concerns. Remember, politically, we are non-partisan. As a grassroots organization we must work together and, therefore, we will be asking for your support on legislation that impacts us as the year unfolds.

As a member of NRLN, you will periodically receive new issues of *NRLN Focus* containing the latest news and commentary on the issues affecting your health care and pension programs.

Best wishes and good luck.

---

## **A VIEW FROM WASHINGTON**

It has been a challenging year in Washington. Your National Retiree Legislative Network has focused its energies during this session of Congress by actively lobbying Members on a number of key initiatives that directly affect health care and pension benefits of our members, including:

- Passage of H.R. 1322 – legislation that we both wrote and introduced into the House of Representatives. (Emergency Retiree Health Benefits Protection Act, an amendment to ERISA to provide protection for retiree health benefits.)
- A proposed rule by the Federal Accounting Standards Board (FASB) that would require publicly traded companies to list the value of stock options as an expense on their financial statements.
- A bipartisan effort in Congress to allow reimportation of lower cost prescription drugs from Canada and other countries.
- Congressional repeal of SEC420 and 401(H). As written, this United States Code allows corporations to use various means to skim pension trusts to enhance corporate profits.

Our challenge continues to be great. Getting Congress to focus on issues other than the Middle East and the re-election is difficult, and health care costs and pension protection are subjects that are, apparently, too difficult and controversial for those we've elected to represent us in Washington. Both Republicans and Democrats have been falling down on the job when dealing with these issues. The Republicans failed us by promoting and passing the Prescription Drug Amendment which 75% of affected citizens regard as an awful piece of legislation that does little to help, and in some cases, actually hurts retirees. The Democrats talk about the issues, to a limited degree, and

then fall short on offering specific solutions. Despite the hurdles there are a number of opportunities to affect change in Washington, ways in which each and everyone can be of help.,

## Your help is needed.

In addition to monitoring the status of current legislation, the NRLN has created “The Affordable Health Care Team” made up of volunteers who are analyzing the broad spectrum of health care proposals supported by various organizations around the country. From this effort, we will develop proposed health care reform legislation representing a broad consensus of opinion from interested parties and elected representatives. We’re looking for volunteers to help with this ambitious project, so if you’re interested in becoming one of our team members, please let us know.

With the election season upon us, our National Legislative Committee is prepared to hit the ground running with members from nearly every state trained and ready to address NRLN advocacy positions to congressional candidates, incumbents and the news media. Eventually, this grassroots advocacy network will evolve into subcommittees operating in each of the 435 congressional districts. In order to make this vision a reality, we need your involvement. So please let us know if you can participate in this ongoing effort to make our voice heard where it will do the most good. More details on this committee and its work will be covered in future newsletters.

And speaking of elections, the NRLN has joined with the Pension Rights Center in Washington, D.C., and other senior advocacy groups in a coordinated campaign directed at 2004 presidential candidates. This temporary alliance, which calls itself the “Ad Hoc Coalition to Restore Retirement Security,” is mobilizing volunteers to attend local events where presidential candidates are appearing. At these events, the volunteers will carry signs, placards and banners calling on the candidates to sign a “Presidential Pledge” that states: *“I will support measures that will ensure that pension and retiree health insurance promises will be honored. I further pledge that I will support other measures that will provide retirement security for present and future retirees.”*

Naturally, your participation in this timely initiative will be invaluable. Please contact us today and volunteer for this special coalition.

---

*The following excerpt is taken from the NRLN Training Guide for state and regional members of our National Legislative Committee. The author, Joe Ristuccia, is a veteran activist and advocate on matters of retiree pension and benefit protection. He is a retired New York Bell executive, a Board member of BellTel Retiree Association, and a founding and current member of the NRLN Board of Directors.*

### **From the NRLN Training Guide for State and Regional Legislative Chairs**

By Joseph Ristuccia

Less than 15 years ago, retirees were becoming aware that promises were not being kept by their former employers. Those who had worked and earned benefits for 30, 40 or more years of service, began to see the inclusion of a “reservation of rights” clause in their health plans. Momentum began to build within corporations to adopt odious cost-cutting schemes that could ultimately extricate them from their health care commitments to their retirees. This was followed by incremental cutbacks and cancellation of earned retiree benefits.

These cutbacks had nothing to do with corporations experiencing a business downturn. In fact, the opposite was true. As the ‘90s saw unprecedented corporate profits, corporate leaders used retiree benefits to inflate their bottom lines. Compliant corporate boards granted oversized compensation packages. With the recent downturn in the economy, attacks against retirees became more intense and comprehensive.

Most recently, we have seen big business assault the pension funding process itself. Corporate heads have asked Congress to allow a two year moratorium to withhold pension fund payments. Their request came as stock market profits were ebbing and bottom lines were suffering. Recent reports from the Pension Benefit Guarantee

Corporation Fund are grim. Defaults are on the rise, and a two year hiatus would be in opposition to retiree interests. Congress granted this accommodation with little to no discussion. Critics were ignored and so were any considerations given for weakened plans.

**CONGRESS IS NOW FACED** with deciding what should be given first consideration: corporations' bottom lines or corporations' fiduciary responsibility to their retirees' pension funding. It should be a clear case of doing the right thing. It is time to demand serious legislative reforms on the Federal level.

The most egregious legislation to come from Capitol Hill recently is the Medicare Prescription Drug Act passed in December 2003. Little information about the Bill was made available to the public. When information leaked to the media, it was bad news for the retirees. After months of arm twisting, the act passed, but not without great difficulty. When the dust settled, the clear winners were the pharmaceutical companies and corporate America. One month later, the Congressional Budget Office readjusted the cost to \$540 billion. The original estimated cost when passed was \$400 billion. By any measurement, a sizable adjustment.

These examples show the downward slide retirees have experienced since the late '80s. We must stop this slide before it gets any worse. If allowed to continue, many retirees could face impoverishment. Eventually, a sizable segment of the middle class will experience a downward shift.

At stake are the Pension and Health Care Funds earned by nearly 45 million retirees during their lifetime. Corporate leaders are playing a new game these days. They will stop at nothing to succeed. These leaders know the retirement funds represent great sums of money. It is tempting and worth the risk to divert the earned benefits of retirees to the company's bottom lines. But, the corporations need the blessing of politicians who are willing to remove regulatory barriers and to change the rules.

**WHAT MUST RETIREES DO** to reserve what is rightfully theirs? Retirees across the country who see the writing on the wall are forming and joining retiree associations. The National Retiree Legislative Network is gearing up to take our fight to the grass roots level and make our issues a priority in the halls of Congress.

We need a groundswell by all retirees and citizens to get the message out. The message must be delivered to Congress, the White House, the news media, and our local communities. We must build a strong grass roots organization to level the playing field. Congress listens to the folks back home!

Retirees must unite to create a huge voting block that will get the attention of legislators back home and on Capitol Hill.

No one likes to be betrayed, not by corporate leaders, nor by politicians. We have events that anger retirees and cause them economic hardships. This is a betrayal when corporations break their promises and abandon their commitments. We have to react to this injustice and the issue must be addressed and corrected.

It is clear that Washington, DC is a very tough town. Corporations have assembled huge cadres of consultants and lobbyists that have become the epicenter for doing business in our Capitol. But, this can be changed. We have to make it unfashionable for politicians to curry favor with big business – ignoring the concerns of the folks back home.

**VOLUNTEER ADVOCATES** are vitally needed to let politicians know that retirees' interests are a priority. Congressional leaders must understand that retiree issues are too important to be placed on a chopping block by uncaring, greedy, power hungry corporate leaders who skirt the law for their own self interest. The need now is more critical because of the barrage of federal laws and deregulations that have been allowed to pass. This makes it imperative that retiree leaders emerge at the grass roots organization and become involved in the broader political area of getting the retiree message out.

Members of Congress listen very closely, especially to those folks who have knowledge and firsthand experience in the area they are advocating. By being on the front lines, you can explain the impact that federal policy has on your life personally. This kind of information is invaluable and persuasive to the members of Congress.

The real trick is to make a habit of your advocacy, but remember, along with many, many retirees, you can make a difference and change what now seems impossible.

Thank you for your participation and interest in the retiree cause.

---

## **SOME 2004 NRLN Datelines**

- April 21, 2004 – The NRLN pledged its support of efforts to make it legal for U.S. consumers to buy safe prescription drugs from Canada.
  - April 26, 2004 – The NRLN called on President Bush and Congress to overturn the Equal Employment Opportunity Commission (EEOC) rule stripping older retirees of their health care benefits from former employers.
  - May 1, 2004 – NRLN President Jim Norby wrote to members of Congress urging them to repeal USC Sec 420 and 402(b) or allow the current sunset date of Dec. 31, 2005 to occur as scheduled. “Retention of these statutes would extend a corporation’s license to continue raiding the pension trust surplus,” Norby wrote.
  - May 1, 2004 – NRLN President Jim Norby wrote to House Speaker J. Dennis Hastert urging his support of the Financial Accounting Standards Board (FASB) proposed rule to require publicly traded companies to list the value of stock options as an expense on their financial statements.
  - May 14, 2004 – NRLN President Jim Norby wrote to President Bush urging his support in the effort to ease the rules on drug importation.
  - May 14, 2004 – NRLN President Jim Norby wrote to Equal Employment Opportunity Commission Chairman Cari M. Dominguez urging the commission to rescind the rule approved on April 22 that allows employers to reduce or eliminate retiree health benefits that they offer to older, Medicare-eligible retirees.
  - June 17, 2004 – The NRLN launched its online Legislative Directory.
  - June 18, 2004 – The NRLN applauded passage of a resolution by the Dutchess County, N.Y. Legislature on behalf of H.R. 1322. “Resolutions such as the one passed in Dutchess County can have a ripple effect spreading across the entire state and country,” announced NRLN president Jim Norby.
- 

## **National Retiree Legislative Network, Inc.**

**We seek to secure federal legislation that will guarantee the fair and equitable treatment of retirees in private and public sectors, health and pension programs, and will improve the adequacy of benefits provided by such programs. Also, we are committed to watch for and stop legislation that threatens retiree health and pension programs.**