

Airline Pension May Be Part Of Budget Reconciliation

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Senate lawmakers, frustrated by an ongoing dispute over two provisions in the pension overhaul bill, are considering other avenues to move the airline portion through Congress.

The House Ways and Means Committee yesterday was scheduled to mark up its single-employer defined benefit pension reform legislation, which, like the version passed by the House Education and the Workforce Committee, does not contain specific provisions to assist airlines.

Sen. Trent Lott (R-Miss.), who sits on the Senate Finance Committee, said the Senate may add the airline language to the tax budget reconciliation package. Finance Ranking Member Sen. Max Baucus (D-Mont.) said separating the airline language from the rest of the pension bill would "take a lot of steam out" and slow down pension reform. Some senators want to delay moving that chamber's tax reconciliation package until House Republicans act on their proposal to cut \$70 billion in taxes. Waiting for the House to move before the Senate takes up its tax package could also bring airline pension reform to a standstill until next year because Senate lawmakers doubt they will get to the tax bill before then.

Lott said an airline pension bill is too critical to let stall, and he is determined to find a way to get it through the Senate.

Georgia Republican Sen. Johnny Isakson, who is pushing an amendment giving airlines up to 25 years to amortize, said those involved in holding the bill and those who want to see it move ahead are still negotiating. He said he believes there'll be a deal, at least on the airline portion, before Congress leaves in two weeks.

Sen. Mike DeWine (R-Ohio), chair of the Health, Education, Labor and Pensions (HELP) subcommittee on retirement security and aging, and subcommittee Ranking Member Sen. Barbara Mikulski (D-Md.) have placed a hold on the pension bill over a dispute about using a company's credit rating to determine Pension Benefit Guaranty Corp. (PBGC) premiums and language that allows smoothing -- averaging liabilities over four years.

Senate Finance Chair Sen. Charles Grassley (R-Iowa) told the U.S. Chamber of Commerce this week, "Without reform, we'll default to the 30-year Treasury rate and deficit reduction contribution rules...If we wait much longer, I fear that more drastic action will be the only remaining option." HELP Committee Chair Sen. Michael Enzi (R-Wyo.) said he wasn't sure what drastic action Grassley was referring to, but speculated it might mean "they will be stuck with what we put in reconciliation."