

Deadline nears, still no deal on pensions

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WASHINGTON — Congress ended its workweek Thursday without completing the pension legislation that Delta and Northwest airlines say they must have to avoid defaulting on their pension plans, perhaps within weeks.

"We don't have a commitment or an agreement yet, but I think we're very close to having one," House Majority Leader John Boehner (R-Ohio) told reporters.

Sen. Johnny Isakson (R-Ga.), primary sponsor of the airline provision, said he is "still very optimistic and will remain in Washington throughout the weekend" to continue putting finishing touches on the bill.

For days, airline executives and hundreds of workers have been lobbying on Capitol Hill, begging lawmakers to complete the legislation that contains special relief for bankrupt air carriers with underfunded pension plans. Both Delta and Northwest have said they might move to terminate the pension plans of a combined 150,000 workers and retirees if Congress fails to provide funding relief by August.

The ailing airlines want substantially more time than other companies to bring their plans to full funding status, saying they can't afford the payments otherwise.

Key lawmakers say the bill will be finalized before Congress' August recess. But many also had said the legislation would be done by the Easter break, then the Memorial Day holiday, then the July 4 break.

Congress typically ends its workweek on Thursday, so any formal agreement must be pushed into next week. The House adjourns July 28, and the Senate begins its monthlong recess Aug. 4.

But even with that tight schedule, Congress still has enough time to vote on the final bill before recessing.

The bill's momentum on Thursday was slowed by efforts to attach unrelated amendments. For example, some lawmakers want to use the pension legislation as a vehicle to move a package of tax cuts and trade-related provisions. Some Democrats hope to add a minimum-wage increase.

The overall intent of the pension reform bills in both the House and Senate is to tighten regulation and bolster the Pension Benefit Guaranty Corp., a quasi-governmental agency that insures private pension plans and takes over benefits payouts when plans fail. But the House and Senate versions differ significantly.

For example, the Senate version includes an amendment that would allow financially weak air carriers to take 20 years, rather than seven, to replenish underfunded pension plans. The House version has no such an amendment.

Since early March, House-Senate negotiators have been trying to smooth out that discrepancy, as well as many others. A final compromise bill would have to be approved in both chambers and signed by President Bush. His administration has voiced opposition to an airline relief provision, saying it would be counter to the overall intent.

Atlanta-based Delta and Eagan, Minn.-based Northwest said at the end of 2005 that their pension plans were underfunded by \$6.4 billion and \$3.7 billion, respectively. They say that unless Congress allows them to stretch out their payments to make them smaller, they soon will have to turn over the plans to the PBGC.