

Lawmakers try to nail down pension deal

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By Susan Cornwell

WASHINGTON, July 25 (Reuters) - U.S. lawmakers said they were nailing down final details of legislation to overhaul the corporate pension system, but differences over airline aid and other issues kept them from clinching a deal on Tuesday.

"We're close but we haven't got the language on a number of different provisions," said Sen. Edward Kennedy, a Massachusetts Democrat, after a closed-door negotiating session involving a key group of House and Senate lawmakers.

"And many of us are not going to (agree) until we have the specific language," Kennedy said.

Lawmakers discussed giving bankrupt airlines Delta Air Lines Inc (DALRQ.PK: [Quote](#), [Profile](#), [Research](#)) and Northwest Airlines Corp (NWACQ.PK: [Quote](#), [Profile](#), [Research](#)) 17 years each to make up funding gaps in their pension plans. That would be 10 years more than other companies would get in the bill, business lobbyists and congressional aides said.

Northwest and Delta could also get to use a different, presumably more favorable interest rate to calculate pension liabilities, said the lobbyists and aides who asked not to be named because of the sensitivity and late stage of talks.

Haggling continued over how two other carriers, American Airlines, a unit of AMR Corp. (AMR.N: [Quote](#), [Profile](#), [Research](#)) and Continental Airlines (CAL.N: [Quote](#), [Profile](#), [Research](#)) would be affected.

"It's still being worked out," Rep. Howard McKeon, a California Republican and vice-chairman of the negotiating group, said of the airline aid.

It was hoped the bill overhauling pension funding rules could be finished in time to come to the House floor on Thursday, said Ron Bonjean, a spokesman for House Speaker Dennis Hastert.

To meet this deadline, negotiators could meet again on Wednesday or they could finish the bill and ask key lawmakers to sign off without holding new talks, House aides said.

Northwest and Delta had sought 20 additional years to fully fund their pension plans, which carry huge liabilities. The two have warned they may default on pensions of thousands of workers if they do not get the help by August.