

United States Senate
WASHINGTON, DC 20510-2002

November 19, 2003

Mr. Steven A. Kandarian
Executive Director
Pension Benefit Guaranty Corporation
1200 K Street, NW
Washington, D.C. 20005

Dear Mr. Kandarian:

I am writing to express my continued concern with the Pension Benefit Guaranty Corporation's (PBGC) recent announcement that approximately 7,000 Bethlehem Steel retirees will have to repay overpayments made to them since PGBC assumed responsibility for their pension plan.

The past year has been a traumatic one for the 95,000 retirees of the Bethlehem Steel Corporation. The company's bankruptcy has led to reductions in pension benefits for many retirees and the elimination of life and health care insurance benefits for all retirees – 20,000 of whom live in Maryland. Many of these individuals, particularly those not eligible for Medicare, are now forced to pay out of pocket to meet their own unique health care needs – compounded by years of work in extremely hazardous conditions – and those of their families. As you can imagine, covering these and other expenses is indeed a daunting task and has certainly not been aided by PBGC's actions to recollect pension overpayments.

While most retirees were aware that their pensions could be reduced to meet the maximum benefit guarantee provided by PGBC, it is my understanding that many of those impacted by the pension overpayment were ill informed of the possibility of repaying these funds. I share the concerns of these impacted retirees that the repayments will only serve to increase the hardships they face in light of Bethlehem Steel's demise.

I urge you to work to best assist those retirees impacted by overpayments, including an examination of the possibility of forgiving these overpayments. I also encourage you to work to improve communications with all retirees to ensure that they are fully informed of the impacts of PBGC on their pension benefits.

Thank you for your attention to this matter. I look forward to your response.

Sincerely,



Paul Sarbanes
United States Senator