

Coalition of Oak Ridge Retired Employees (CORRE)

*Presentation at Annual Meeting
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What Have We Done for You Lately?

by Dub Shults, President

Since we have a number of guests and first-timers here today, I want to take a few minutes to review what CORRE is and what it is trying to accomplish. CORRE is an organization that represents approximately 13,000 retirees and grandfathered employees of the three DOE facilities in Oak Ridge. About 12,000 of these live in Tennessee, and about 10,500 live in East Tennessee. Roughly 2,600 live in Oak Ridge, 3,200 in Knoxville, 900 in Clinton, and 800 in Kingston.

CORRE has been trying to get a cost-of-living increase for its members for ten years now. Specifically, it is striving for a pension increase for each retiree that would restore about three-fourths of inflationary loss during retirement. Let me put this in context. No increase has been given to anyone who retired after March 31, 1998. Since that time, inflation has eaten away 25% of pension value, and health insurance cost has doubled. It gets worse with time. There are about 370 retirees who retired in 1985. Inflation has taken away 49% of the value of their pension, and the cost of their health insurance has increased almost ten-fold. Clearly, these people need some kind of pension increase. No one ever says that an increase is not needed.

CORRE has also been trying for the past six years to get a correction made in the cost of the so-called Surviving Spouse Option. Those who retired after June 2004 can elect to take a 2% reduction in their pension in order to provide a pension for their spouse. The reduction in pension paid by those who retired before June 2004 averages about 8%, but can vary anywhere between 5 and 20% depending on the ages of the retiree and spouse. CORRE believes the 2% cost should apply to all retirees, since they all receive the same benefit.

These two proposals, if approved, would mean a lot to many people, not just retirees. The economic benefit to Tennessee would total about \$95 million. For East Tennessee, it would be about \$88 million. For Oak Ridge, \$25 million. For Knoxville, \$26 million. For Clinton, \$7 million. For Kingston, \$6 million. Everyone and every community would benefit.

Here is an invitation for you members. If you want to see what percentage increase you would get or how much your community would benefit if CORRE's proposals were approved, look at the posters in the lobby after the meeting. One poster lists the percentage increase in pension you would get according to your year of retirement. Another poster lists the economic benefit that could come to your community if our proposals were approved.

Let me begin my report by reading an email that CORRE received in response to our summer Newsletter.

“I thought the over-riding reason for CORRE was to correct the retirement pension problem. All I see in the Newsletter is a lot of mostly unrelated news items. CORRE appears to have degenerated into the usual Oak Ridge organization whose primary function is to organize and meet. How about some real news about real action on correcting the very real pension problem?”

Needless to say, that email got my attention. At first, I was angry at the implication that we are a bunch of do-nothings. My second reaction was resentment. I resented the lack of appreciation for Judy Kibbe and all the others who worked to produce and distribute that newsletter. Gradually, my anger and resentment turned to concern. I became concerned that the CORRE membership in general isn't informed enough about what we have been doing or why. Obviously, there are some things that go on behind the scenes and can't be discussed openly, but, to quote Coach Dooley, we need to get better.

This leads me to the first theme of this report: **What Have WE Done for YOU Lately?** I am going to tell you about some work that goes on in front of the scenes. I will discuss the work of two of our eight committees. These two committees have been especially busy this year.

The Communications Committee. This is an 8-person committee chaired by Judy Kibbe. It draws on the entire Board for material. It produces the quarterly newsletters, sends out announcements and news items to you via email, and handles email inquiries; i.e., it responds to or finds the right person to respond to email inquiries. This committee also helps develop materials like posters, displays, brochures, handouts, and information booklets.

Closely related this past year was an *ad hoc* Website Committee whose mission was to develop and implement a new website for CORRE. This was not a trivial task. It began in November of 2009 with an evaluation of our former website and what would be needed to bring it up to date. That led to a decision to develop a new site. We settled on a new layout, found a new vendor, learned how to program the new software, moved content from the old to the new when feasible, and wrote new content when necessary. The new site went on-line in April of this year and now is averaging about 800 hits per month. Phyllis Green deserves much credit for making all this happen. Her reward was that she became our Web Master. She is the one who keeps the new site up to date, adds and subtracts content, monitors usage, and generally takes care of business.

You should have a little yellow card with the CORRE web address on it. The address has not changed: www.corre.info. We urge you to look at the new website and let us know if and when you see something that needs attention.

The Governmental Relations Committee. This is an 11-person committee chaired by Pete Lotts. As is the case with other committees, most if not all Board members contribute to the work of this committee in one way or another and at various times. This committee is responsible for developing and maintaining good relations with the staffs of our Congressional representatives and with representatives and officials at the state, city, and county level. This includes open, two-way communication via all the normal channels, including face-to-face meetings. We work hard to keep two-way communication open with all of these people.

That is the normal mode of operation. This year has been different because this is a mid-term election year, and there will soon be significant change in our representation. Prior to the primary elections, we contacted some twenty candidates for the U.S. House and met with about half of them. In all cases, we provided information about CORRE. All were invited to place statements on our website, and many of them did so.

Since the primaries, we have contacted by mail both candidates for governor, all eight candidates for the U. S. House from Districts 1-4, and sixteen candidates for state offices. Again, we met with some and provided information about CORRE to all, and invited all of them to place statements on our website. We want each of our representatives to be well informed about CORRE. We believe that they will support us when they know and understand the facts.

We also strive to build and maintain good relations with the local DOE and the contractor organizations. I must say that the staffs of all of the contractors – Bechtel Jacobs, Wackenhut, UT Battelle, and B&W Y-12 – are very open and helpful and easy to work with. For example, we met with both DOE and contractor personnel several times in the early stages of planning for separating the administration of the ORNL and Y-12 retirement plans. They discussed the separation with us and invited comments and suggestions for making the process go smoothly. Afterwards, they invited us back to review details of the separation and the new modes of operation. The separation was a huge, complicated job, and it came off very smoothly. We now deal with four separate contractors instead of three.

The Bottom Line. The CORRE Board is not simply organizing and holding meetings. We don't need any more meetings...we had plenty during our working lives. Rather, the CORRE Board is a working Board, not always visible, but always working. I estimate that the Board invested more than 2,500 hours of volunteer work on your behalf since the last Annual Meeting.

So, why haven't we been able to get an adjustment in our pensions or a correction in the cost of the Surviving Spouse Option? The short answer is we really don't know. However, there are some things that we do know.

One is that we know that DOE has a large problem with pension plans system-wide. We are among the sites whose pension plans are healthy. It would be hard for DOE to approve an increase for us when other sites are unhealthy. If DOE approved a raise for us, then other sites would want one. In other words, if DOE did the right thing here, then it might have to do the right thing somewhere else. The easy way out for them is to do nothing. So, DOE refers us to the contractors. The party line is that it's the contractor's responsibility to propose and DOE's responsibility to approve.

Secondly, we know that our contractors view the situation strictly as a funding issue. They will work hard to preserve the status quo for retirees, but if improvements in benefits are to be made, the contractors want them to go to current and future employees. The operative word here is "want." It is not simply a matter of having sufficient funding...it is also a matter of what they want to do with it. They want to invest in current and future employees, not in retirees.

With all due respect for the current contractors and all they have accomplished, let me point out that they didn't invent the place. Current and future employees may accomplish great things, but we have done so already...on a sustained basis...for decades. Every person in this room has benefited from our accomplishments! It just seems so obvious that we retirees deserve better than a pat on the head and a spot in the pasture. No one says that our pension adjustments are not deserved.

A large part of the dilemma is that DOE and the contractors view our proposals as a funding problem, whereas we view it as a people problem. What we must do is find a solution that is acceptable to all parties.

Here is a third thing that we know. We know that it is possible to do what we propose. Large pension increases were granted at Sandia National Laboratory several years ago as a result of a joint effort of the contractors and DOE and their congressional representatives. The contractors championed it, their local DOE supported it, and their Senators pressed for it. They wanted to increase pensions, and they worked together to make it happen. Oak Ridge can do that. We came close this year, but close only counts in horseshoes.

Let me tell you a story. Once upon a time there was an organization that was trying to get help from the federal government. It was called POOR, an acronym for Poor Old Obsolete Retirees. Everyone knew that the POOR people needed help, but the government simply would not give it. The POOR people tried for years but help was not forthcoming. All they got was excuses. Help for the POOR people would cost money and lead to layoffs; the economy is down; projections indicate that help for POOR is not affordable; if we help these POOR people, then we might have to help other people somewhere else; and on and on.

So, the POOR people enlisted the assistance of their elected representatives. The acronym for them is ERPs. The ERPs tried hard to persuade the government to help the POOR people, but could not. Then, the ERPs tried to appropriate funds for the POOR people during the normal budgeting process, but those funds were gobbled up in the appropriations process and sent to New Mexico. One year, the ERPs were able to set aside separate funds for the express purpose of helping the POOR people. The ERPs thought that this approach would help the POOR people in spite of all those excuses. They thought the problem was solved and the POOR people would live happily ever after. They were happy. They were wrong!

The ERPs got stonewalled. The money was there but the ERPs were unable to use it to help the POOR people. The fiscal year ended. The funds disappeared. Opportunity was lost. The government was cool. The ERPs were hot. The POOR people were disappointed. They felt that they had been allowed to gaze into the Promised Land, but were not allowed to enter. They had to start over. End of story.

Let me emphasize that this little story is fictional, and any resemblance to persons or organizations, living or dead, is purely co-incidental. It simply illustrates what can happen when dealing with the federal government.

A Non-Political Organization in Need of Political Help

Now, I want to return to the real world. As you know, CORRE is a 501(c)5 organization and as such cannot openly campaign for or endorse any individual candidate for political office. We are a **non-political organization in need of political help**. We will soon have new representatives in Congress and elsewhere, and we have much work to do to inform them about CORRE and our struggle for adjustments. We depend on them.

There are really two aspects of our quest for adjustments.

One is **financial**. We have lots of information and data about this: details of the adjustments we propose, their costs, and the potential economic benefit that they would bring to the area and to Tennessee.

The other aspect is **need**: the impact of frozen pensions on real people, how their lives are changed, how their very welfare is threatened, how they have accommodated.

Our representatives have told us on several occasions that the absolute best way to explain the need --- the people issue --- is to document real situations experienced by real people. You members can help with this one.

Here is what we ask you to do and what we will do in return. Simply tell us about yourself and how the decreasing value of your pension has impacted your life. We need details about the negative impacts that a static pension has had on your welfare and what you have had to do to manage the situation.

If you are willing to talk to a Board member about this, then we will do the following things:

1. First and foremost, we will preserve your privacy. We will not use your name or reveal your identity. You will have approval rights on any documentation that results.
2. We will prepare ten or so case studies that demonstrate the dire situation that some retirees endure.
3. We will prepare letters for you, or help you prepare letters, to send to representatives and contractors, and others if you desire, expressing your need for a pension adjustment and requesting action on their part.

In this way, we hope to inform our new representatives, and remind our incumbent representatives, of the real impacts that stagnant pension practices have had on real people. Real-life examples will illustrate clearly what we mean when we say that the need is real and granting adjustments is the right thing to do.

There is a brief questionnaire attached to your agenda that you can use to tell us that you are willing to discuss your situation with us. If you are, then please fill in the information and give the sheet to a Board member or turn it in at the desk in the lobby before you leave. A member of the Board will contact you directly and discuss what we can do together to get our message to our representatives and others. This carries no obligation...you will have veto rights on anything that comes out of this activity.

This may sound like same old, same old to you, but it really isn't. CORRE's message is as clear and sound as ever, but there is a distinct difference now...the audience is changing. We must help it understand the gravity of our situation and accept the fact that our requests are both warranted and reasonable.

I began this talk with some thanks to Pastor Paul and Pastor Phil. I want to end it now by thanking some others for their help and support over the past year:

From Wackenhut: Brenda and Sheila

From Bechtel Jacobs: Kelli and Roz and Mary Ellen

From Y-12: Linda and Pam and Maurice and David

From ORNL: Greg and Mark and Bill and Deborah

From our former chiefs at Lockheed Martin: Clyde and Gordon and Bob and Alex and Ken and Murray

From our congressional offices: Gina and Beth and Jonathan and David and Jane

From the Media: Frank and Stan and Darrel and Beverly.

From the Community: Jane and Ellen and Charlie and Tom and Tracy

And finally, we thank you representatives, candidates, visitors, organizations, and members for your interest, your support, and your presence today.