

NATIONAL PRESS CLUB HEADLINERS LUNCHEON WITH SENATOR SHERROD BROWN (D-OH)

SUBJECT: THE NATION'S PENSION CRISIS

MODERATOR: ANDREA EDNEY OF THE NATIONAL PRESS CLUB

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**ANDREA EDNEY:** Good afternoon, everyone. Welcome to the National Press Club, the world's leading professional organization for journalists. I'm Andrea Edney. I am president of the National Press Club, and I am an editor with Bloomberg's breaking news desk.

Today, we are so pleased to have as our luncheon speaker Senator Sherrod Brown.

First of all, I would like to please, if you haven't already, please silence your cell phones. If you are on Twitter, we encourage you to tweet during the program using the hashtag #NPCLive.

Sitting at the head table – and please hold your applause until all have been introduced – we have Kyle Midura – please stand up when your name is called – multimedia journalist at Gray Television's DC bureau. Sitting next to him we have Neil George, editor-in-chief at InvestorPlace Media. We have Sabrina Eaton, Washington correspondent at Cleveland.com and the *Cleveland Plain Dealer*. We have Mike Walden; Mike is a retired teamster from Local 24 in Akron, Ohio; he is president of the National United Committee to Protect Pensions, and he is a Vietnam veteran. We have Lorraine Woellert, White House reporter at POLITICO. We have Cecil Roberts, president of United Mine Workers of America.

Starting from this end, we have JD Durkin, White House and Capitol Hill correspondent at Cheddar; Hazel Bradford, Washington reporter at Pensions and Investments. We have Dave Dilly, a retired coal miner and Vietnam veteran from Coshocton County, Ohio, who served as his local United Mine Works of America president. We have

Jamie Horwitz, media consultant and the NPC Headliners member who organized today's luncheon. Thank you, Jamie. We have Lalita Clozel, banking regulation reporter at the *Wall Street Journal*. Skipping over our speaker for just a moment, we have Tamara Hinton, senior vice president at StoryPartners and a member of the National Press Club Headliners team.

[applause]

I'd also like to acknowledge additional members of the Headliners team responsible for organizing today's event: Betsy Fischer Martin, Lisa Matthews, Jamie, Lori Russo, Tamara, and Press Club staff, especially Lindsay Underwood, Laura Coker, and executive director William McCarren.

For our C-SPAN and Public Radio audiences, please be aware that in our audience here today there are members of the general public. So any applause or any other reaction you may hear, this is not necessarily from the working press.

So we have invited Senator Brown here today to speak about the pending pension crisis in the United States. Right now, the pension plans of roughly 1.5 million workers and retirees nationwide are facing shortfalls and are at risk of insolvency. This also poses a risk to the Pension Benefit Guaranty Corporation, which insures the pensions of 40 million Americans.

Senator Brown has been focused on this issue and has worked with colleagues to help address this crisis within the spending bill that Congress approved earlier this year. That bill established the Joint Select Committee on Solvency of Multiemployer Pension Plans. That is a 16-member panel made up equally of eight Senators and eight House members, divided equally between both parties. They are tasked with finding a solution by November 30<sup>th</sup>, and they held the first of five meetings last month.

Today, Senator Brown will be discussing this issue, and the committee he is co-leading with US Senator Orrin Hatch of Utah. He'll talk about what's at stake if Congress does nothing. Since 2007, Senator Brown has represented Ohio in the US Senate, focusing much of his attention on American manufacturing and fair trade. Senator Brown serves as the ranking member of the Senate Banking Committee and was the first Ohio Senator in 40 years to serve on the Senate Agriculture Committee.

Prior to his election to the US Senate, Senator Brown served as US Representative for the 13<sup>th</sup> District of Ohio. He has also served as a member of his state legislature and as secretary of state in Ohio.

Please join me in welcoming Senator Sherrod Brown. [applause]

**SENATOR SHERROD BROWN:** I can tell who the journalists are because they never stand up for me. So I appreciate that. You can tell who everybody else is. But thank you. Nor should you, so I appreciate that. Andrea, thank you for the introduction and for your good work. We had a wonderful conversation about her first years in journalism when she

started – can I say that? – working for the Praha Post, the Prague, Czech Republic, Post. So thanks for the work you do for the Press Club.

Thanks to my old friend Jamie Horwitz. Jamie I first knew from his days at Miami University. He grew up in Copley, Ohio, which is just west of Akron, went to Copley schools. His mother still lives in Summit County.

And thank you especially for the work that you do as journalists. It's always an honor to talk in front of journalists. It's an honor because you are so important to our democracy. It's an honor because your importance is even greater these days than any time in recent American history. Your job, of course, is to ask tough questions, to challenge powerful interests, to expose wrongdoing. That comes with risks, as you know as journalists. Too often we see reporters restricted and vilified and attacked, even physically threatened, all for doing your jobs. That used to happen too often in foreign countries. Unfortunately and amazingly it's happening too often now in our own country.

Of course, I have a soft spot for journalists because I'm married to one. She inspires me in her writing, in her teaching. She teaches at Kent State. She writes for Creators Syndicate. She wrote for Sabrina's paper, in fact used to work in the same bureau, Sabrina, 20-plus years ago.

I want to thank the waitstaff here, proud members of Local 25. Thanks for the work you do. We have a lot of work to do in this country to ensure that all workers have seats at the table and voices in the workplace. I would like to tell a brief story to show why unions matter so much to me, and why I think they're so important to the country.

I was at a labor federation meeting in Cincinnati, a county labor fed meeting, not too many years ago. And there was a table like this, and then there was a much bigger group, maybe 300 people. And there was one table where there were all middle-aged women sitting and someone said they are custodians and they signed their first union contract earlier that day. A 1200-member bargaining unit. They signed a contract with the downtown Cincinnati building owners.

So there was one seat at the table. I sat down, I started talking to them. They were just so excited because they had signed the contract, this was the bargaining unit, signed the contract that day. And I said, "What's it mean to have a union?" And the woman sitting next to me, she turned, she said, "I'm 51 years old. This is the first time in my life I'll ever have a paid one-week vacation."

I mean, the unions represented here today, the teamsters, the mine workers, other unions that are here, the machinists, they're far beyond that one-week vacation and personal leave days, and paternity leave in some cases, maternity leave, and all the things that unions fight for. But it's important to remember that a huge number of people in this country don't have a one-week paid vacation, don't get days off for a sick child or for their own illness, have to go to work sick, and what that means. And it's why I know so many people in this

room who are not journalists, and Cecil, I look at you especially, why so many of you do what you do to fight for the labor movement.

I'm proud to be joined by President Robertson and my friend Mike Walden, who I've gotten to know better and better and better in the last months. And also my friend Dave Dilly – Mike is from northeast Ohio; Dave is from sort of east central Ohio, Coshocton County – and the work that he has done with the Mine Workers is so, so important. Teamster Vice President John Murphy's also here and he's had a big role to play in this pension issue.

Thanks to Norm Skinner and Phil Smith, other mine workers who are in this audience. I'm so appreciative of the work that you've done.

If to some of us these guys look familiar, the teamsters and the mine workers, it's because they've spent the last couple of years traveling back and forth from Ohio or wherever some of them live to Washington, fighting for the retirement that they earned. If you cover Congress on a regular basis, you've seen dozens of the black-and-yellow teamster shirts that Mike has one. At times, it seems like a week doesn't go by without seeing the trademark camo T-shirts of the United Mine Workers around the Capitol. So thanks for their continued engagement. So nice work; thanks for wearing that today, Dave, I appreciate that.

Many of you as journalists have helped to tell – the mine workers and teamsters and other trade unionists who are part of this fight – to tell their stories. Good journalism and good politics are so often about telling, just simply telling the stories about people who have no other voice. These folks have come to Washington by the busload demanding their government live up to our promises, and that their government work for them. We're not talking about wealthy people who have a lot of money to throw around. Most of the trade unionists and the retirees who have come to Washington couldn't afford plane tickets back and forth; they carpool, they ride all night in buses. Some ride here on a bus and then the same day, after they've walked the halls all day, turn around and go back on a late-night bus and arrive back in Ohio in the wee hours of the morning. They stood for hours in the DC summer heat and waited in line during the bigger cold just to get through security in some of these buildings.

They represent a million-and-a-half workers and retirees. They come from everywhere in our country. They're all at risk of losing their retirement, if Congress doesn't act, earned over a lifetime of work. That's so important to remember. Their advocacy has brought us to where we are today. We would not be here if they had not been walking the halls of Congress, reminding Congress of the work that we should be doing for them and for their fellow men and women in the labor movement.

During the budget negotiations at the beginning of the year, I brought together a group of Senators. We made it clear to leaders in Congress that we had to have a solution for workers and their families. If we couldn't pass something immediately, which we wanted to do – the so-called Butch Lewis Act; more about that in a moment – if we couldn't get that done, we just couldn't get the bipartisan support at that point for that bill, we pressed for a bipartisan committee to negotiate something that could pass both Houses of Congress.

That's why in February, Congress created what was called the Joint Select Committee on the Solvency of Multiemployer Pension Plans as part of the bipartisan budget deal. I'm co-chairing that committee, along with my friend Senator Orrin Hatch of Utah. Believe it or not, we have a very good working relationship. We really do. I know that will surprise some of you, but it will benefit the work of this committee because we've been working together on a variety of issues when we can agree over the years, and we've already begun to meet regularly as Gideon in my office with his staff.

As Andrea said, 16 members – four Democrats and four Republicans from each House. To move a bill forward, we will need five Republicans and five Democrats to move it out of committee. We're required to report a solution out, by law, by the end of the year. We've been given extraordinary powers in this committee. It's unlike any other committee I've ever been part of in the Congress. As I said, we need five votes from each party to pass it.

It will go directly to the Senate floor. No committee, no other committee intervening. No amendments. It will go to the Senate floor and the House floor for an up or down vote. Assuming we get five Republicans and five Democrats on the committee, I think you could make the assumption that we will pass it in the House and Senate and go on to the President, if we can get to that stage.

We will hold a series of public hearings. We expect at least one of those hearings to be outside Washington because not everyone can take time off work or time away from caring for a loved one and get on a bus to Washington. This will give people a chance in at least one public hearing outside of Washington to make their voices heard.

Now, before you sort of roll your eyes and think this is just another Congressional super committee, let me tell you why I'm optimistic that this one will work. I wouldn't be doing all this if I didn't think so. We held our first formal hearing last month. If any of you were covering it, you saw how serious members were on both sides of the aisle, both parties, both Houses, about working in good faith to solve this crisis. Members like Senator Hatch, my fellow Ohioan, Senator Rob Portman, a Republican, along with folks who have been leading this effort in the House, Richie Neal, Bobby Scott, Phil Roe. That support goes beyond just the committee members. Our first formal meeting was last month, but my staff and I have been meeting with other officers for nearly a year. Senators like Ron Johnson and Tammy Baldwin, both from Wisconsin, very different political ideologies, both want to be very helpful on this bill. Joe Donnelly from Indiana stepped up. Marcy Kaptur, my longtime friend from Ohio, a Democrat, who just set the record for the longest-serving woman in Congressional history.

We have support from groups as diverse as the Chamber of Commerce and the AARP. Large corporations and small businesses are standing shoulder to shoulder with unions, all pushing for a solution because this crisis demands it. It threatens retirees, small businesses, workers; it threatens Republicans and Democrats and Independents and people that don't bother to vote. The largest of these plans, as many of you know, is the Central

States Teamsters. There are 50,000 participants in that plan in my state of Ohio. There are 32,000 of them in Missouri, 25,000 in Texas, 20,000 in Florida, 16,000 in Tennessee, 14,000 in Kentucky, 13,000 in Georgia, 10,000 in Iowa. So this problem is broad and deep, and members of Congress, my hope is, and I believe members of Congress will understand that and be involved as a result.

That's just one plan. That's just the Central States plan. There are more than 100 plans on the brink of failure with members in every state in the country putting the economic vitality of our country at risk, of entire communities. There's not a lawmaker in Congress whose constituents are not affected in some way by this.

This crisis threatens thousands of workers. We know that. That's what most of the talk has been about. It also threatens businesses in the Speaker's state and in the states of the Majority and Minority Leaders in both chambers. That's why we were able to secure the creation of this committee, this idea that was pretty unorthodox, to make Congress get serious about this because the people we serve demanded it of our leaders, the way democracy is supposed to work. It's why we'll be successful, because people like Dave and Mike and others and fellow workers and retirees from across the country have shown they will not give up. They continue to come here and demand we do something. They'll continue getting on those buses, they'll continue standing in the DC summer heat to hold their government accountable. A local teamsters retiree in Local 377 in Youngstown told me, "We did our part, now it's time for members of Congress to cross party lines and do theirs." And I really do believe we will.

So the question is, how did we get here? How is this situation the way it is? Multiemployer pension plans are retirement plans that cover workers and pensioners and their families in specific industries. These plans are jointly run by employers and by labor unions. In these types of plans, companies join together to pool their resources and lower costs. Many of them are small, family-run businesses that that simply can't afford to offer retirement security standing by themselves for these workers; they want to do it, but they can't afford to set up a pension plan on their own.

Often they're in industries like construction and trades, where workers change employers frequently and need a portable pension solution. By joining with other businesses, companies thought they were guaranteeing their workers a secure commitment, which they've done over the years, because experienced trustees were supposed to manage the investment.

Now, some of you may be in a union. Many of you have sat around a bargaining table at some point. But what Washington doesn't always understand – and one of my jobs is to teach my fellow Senators and House members of this – is that workers sit at the bargaining over the last 20, 30, 40 years, they give up wages today, money they'd like to have today for their families, but they give up money today so that they will have a pension, retirement security in the future. Simply too many of my colleagues don't understand that.

Now these pensioners who gave up that money 20, 30, 40 years ago, whether they're mine workers, whether they're teamsters, whether they're other workers, they are at risk of not seeing that money because many of these plans are running out of funds. We know that.

It's not just retirees who will feel the pain. Small businesses are at risk of collapsing if they end up on the hook for pension liability that they can't afford to pay. Current workers are paying into and counting on these pensions, too. They've already made real sacrifices, as their older brothers and sisters have, at the bargaining table.

Each plan is different; there are many factors that played a role in getting them to this place. These are the same industries that have been affected by decades of bad trade deals, by outsourcing of jobs, by general shifts in the American economy. But there's no question that the economic collapse of a decade ago, brought on by Wall Street greed, devastated these plans and the people and the businesses who depend on them.

Even the coal miners' pension – an industry that has been badly hurt over the past few decades – as Cecil's told me, was nearly 90% funded before the financial crisis. So it's surely not their fault.

If these plans fail, they take thousands of businesses and jobs with them, and the government insurance plan, the Pension Benefit Guaranty Corporation, is supposed to step in under federal law. But here's the problem: that insurance program is also on the brink of failure. It's \$67 billion in the red; it has \$2 billion in assets. So, the moment the first pension plan fails, the Pension Benefit Guaranty Corporation will also fail. And think what that will mean to our economy.

It'll be up to Congress then to step in, to allow the entire multiemployer pension system to fail, eviscerating the retirement of ten million American workers and retirees, forcing American businesses to file bankruptcy, lay off workers, and close their doors. As dysfunctional as Washington is, I don't see a scenario where Congress would allow that type of devastation without stepping in. So do we do it now or do we wait till that happens?

If we wait for that to happen, think what happens to our country. One way or another, we will do something. And that's the purpose of this committee, to do it sooner rather than later. The problem gets worse and more and more expensive the longer we wait.

To folks in Akron or Coshocton County – where Mike and Dave are from – it sounds pretty cut and dried. It is. Congress must act, and we must act before the end of the year. Congress already tried skirting this responsibility once, and it didn't work. Three years ago, in the dead of night, without a single public hearing, or even a bill introduced, a new policy was slipped into the Omnibus bill. That policy was signed into law. It allows multiemployer pension plans to apply to cut the benefits that workers and retirees earned in an attempt to stay solvent.

The first plan to apply was the Central States Teamsters. They proposed cutting benefits by up to 70%. Imagine that. You think you're going to get a certain amount of

money and then you hear it's going to be cut 70% during your retirement. These are plans, again, retirees paid into for decades, benefits they gave up pay for, benefits they counted on and budgeted for, benefits they earned.

Ask yourself, if you get a letter in the mail today informing you that your monthly paycheck was about to be cut by 70%, what would you do? Maybe you could get a new job. Some of you are young enough to do that. But these folks already spent decades working, wearing out their bodies – truck drivers, construction workers, coal miners, manufacturers.

Luckily, Central States' planned 70% cut was rejected. Why? Because even after slashing these retirees' pension plans by up to 70% – forcing them into poverty, forcing them, likely, as our friend Rita says over and over, forcing them likely into government assistance – even after all that, the actuary said there was still a 50/50 chance the plan would fail. Just a coin flip.

Forcing workers and retirees to carry this burden doesn't work. That's why Congress must act.

One of the retirees who did get a letter in the mail saying his retirement would be cut by as much as 70% was Cincinnati's, Butch Lewis. Like Mike and Dave and so many others, Butch was a veteran. So many of these pensioners that I talk to at union halls around the state served our country, some in Korea, many in Vietnam, many in the service, not necessarily in the Vietnam era. Butch drove truck for 40 years, he was head of Teamsters Local 100, in Evendale, a Cincinnati suburb. When he got the letter in the mail, he joined with his friend Mike and started to fight.

But the fight was cut short for Butch far too soon. Butch passed away on New Year's Eve, 2015. If his wife were here, she would tell you that doctors attributed his stroke to the stress of this fight he was making for himself, for his family, and for his fellow men and women in the teamsters. Now, his widow Rita and Mike carry on the fight with an army of teamsters and mine workers and others alongside them.

Rita said to me earlier this year, "It's like we are invisible." People I meet all over Ohio feel invisible. They don't feel like their work is valued. They don't feel like the value of work in this country is what it used to be. They feel like Washington ignores them. And all too often, they're right. And that's another reason we need to do this, to prove them wrong.

The average retiree – get this – the average retiree in one of these plans is owed about \$1000 a month. For miner workers, it's just \$500. And for some others, it's even less. The average person in the top 1% – we're talking millionaires in the very top tax bracket – the average person in the top 1%, from the tax bill that recently passed Congress, will get what amounts to about \$5000 a month in tax benefits. If that puts it into perspective.

If Rita were here today, she'd remind us that workers and retirees who paid into these plans are taxpayers, too. In 2015, multiemployer pension participants paid more than \$35 billion in federal taxes. The Chamber of Commerce, lobbying heavily for a solution – not



precise what it is yet, but lobbying heavily for a solution – notes that the multiemployer pension system contributed \$2.2 trillion in economic activity to the US economy in 2015.

I have spent time with Ohio businesses who have done everything right, but they're being punished because their business thrived while so many other companies failed, costing money to the pension system, obviously. Those small businesses can't publicly say what keeps them up at night – the fear that if the multiemployer pension plan that they are part of fails, their business will fail. They really can't talk about that publicly. They can't tell their customers, they can't tell their workers. And most importantly, they can't tell their creditors that their pension plan could be failing, without losing their ability to get loans and risking the businesses they've worked for so many years to build.

But you can. You can tell their stories. This issue cuts to the heart of who we are as a country. People of both political parties talk about the American Dream, about the idea that if you work hard, you can earn your way to a better life. These Americans worked hard. They've worked as coal miners, they've worked as teamsters. They've been driving trucks, they've been working manufacturing, They're working construction. They go down in the mines day after day after day, 25, 30, sometimes 40 years. They've earned a secure retirement.

Mike told me once, "I've never asked for anything from this country, but I don't want to see my country take away something we've worked hard for and earned." And that kind of sums it up. If we break this promise to people like Mike, how do we look our children in the eye and tell them: If you work hard, if you get a good job, you'll be able to make it in this country.

Butch Lewis said the choices being forced on retirees amount to a war against the middle class and the American Dream. That's what our job is on the pensions committee. That's why I think all 16 of us take this job seriously. At a time when there's not that much cooperation across the aisle, this is something we ought to be able to solve, together.

That's my pledge, to work as hard as I can on this. We should all be able to come together to affirm the principle that hard work should pay off. Thank you.

[applause]

**MS EDNEY:** Thank you, Senator Brown. Is the Butch Lewis Act your starting point this year? And why do you think it didn't pass? And what changes need to be made to get buy-in from both sides?

**SENATOR BROWN:** The answer is– well, I'll start with this. We started with Butch Lewis because we scored it, we've had actuaries, some of the best actuaries in the country analyze it. They believe it works. They believe it works with a relatively minimal amount of tax dollars. They think that we– in the House, we had Republicans co-sponsors; in the Senate we did not. I think Senators were concerned about moving, at that point, moving on anything on this. Because there is no other proposal on the table at this point, the

Democrats in the Senate and Republicans and Democrats together in the House put out the Butch Lewis Act. It's the only bill on the table now. I think we will start with that. I don't know what changes will be made.

My mission is to pass a bill to save these pension systems. To do it without cuts, to do it in a fiscally sound way, to do it with minimal numbers of tax dollars, and do it in a way that stabilizes the pension system so that the Pension Benefit Guaranty Corporation isn't so jeopardized as it is if we do nothing.

**MS EDNEY:** Yesterday the *Washington Post* wrote that the teamsters are going to push for Butch Lewis. What do you see as the CBO scoring for Butch Lewis?

**SENATOR BROWN:** We are in the process of a new score now. The first score was hurried and there were a lot of factors that weren't considered. We are certain that passing something similar to Butch Lewis will be much, much cheaper, much cheaper to taxpayers, to the tune of tens of billions of dollars less expensive, than if we don't move on anything and these pensions begin to fall apart. And if they do and they go to the Pension Benefit Guaranty Corporation, it will cost taxpayers tens and tens and tens of billions of dollars. This is clearly less expensive. That's why the Chamber of Commerce supports the idea of something like Butch Lewis; they haven't endorsed it, per se. That's why all these businesses in Ohio came to lobby me and tell me that they like this idea of this bill. That's why I think the teamsters and the Southwest Ohio carpenters and the mine works and so many others support it.

**MS EDNEY:** Do you have an estimate or an expectation for the scoring?

**SENATOR BROWN:** I do not yet. I don't want to put a number out there when I don't know what they're going to say. So I don't want to get into that, sorry.

**MS EDNEY:** Would you support alternatives to Butch Lewis from the joint special committee?

**SENATOR BROWN:** I'm open to— I mean, we've asked the other 15 members of the committee, Senator Hatch and I have asked members of the committee, asked colleagues in the Senate and the House, put something on the table, and we want to begin the debate. Your first question, do we start with Butch Lewis, the answer is yes, because it is the plan— first, it's a plan I think— I know it works. It's the plan that I think is the fairest. But I also am open to colleagues that have other ideas. So I think we've put that out there and we will see alternatives and minor changes and major changes. And we get to a place where, again, the goal of doing this without cuts, of getting this done by the end of the year, of doing it without cuts, of doing it in a way that works for workers and works for these small businesses that are part of multiemployer pension plans, all that's part of it.

**MS EDNEY:** Do you believe that your committee will be able to report a bipartisan solution to the pension crisis by November, given that it's an election year?

**SENATOR BROWN:** We will not necessarily put out the report prior to the election. We did this for a reason. I went to Pelosi and to Schumer and to Ryan and to McConnell and said, We don't seem to be able to get agreement to put an agreed-to law to fix the pension system, to fix the multiemployer pension system. We don't seem to be able to get an agreement across party lines in both Houses to do this now, so we want to set up a mechanism to do it.

And the mechanism that we came up with, and my office came up with, is four Republicans, four Democrats from each House. Do the special committee, have co-chairs, one Republican, one Democrat. Give us until December – the pressures of the election maybe get us to the table faster, maybe they don't – but give us till December. Give us till the end of the year. We will get five in each party. I mean, the whole idea was, this has to be bipartisan, it has to be done cooperatively. It simply wouldn't work, and it wouldn't work if there would be poison pill amendments and all the things that legislators sometimes do on something this complicated.

So that's why that the committee does it, we get five of each, five Republicans, five Democrats. We put it directly on the floor for a vote. I think if we can do it in committee, we can do it on the floor. And I think the President will sign it. The President has not yet been particularly interested or involved. We assume he will be. We assume that if we do this right, the President will sign the bill. I have no doubt about that.

**MS EDNEY:** Thank you. You just mentioned Nancy Pelosi and Chuck Schumer. I have a question here about them. Just a few days ago, Nancy Pelosi sent a "dear colleague" note to House Democrats urging them to not support any legislation with Republicans. Perhaps this is in response to the idea that Democrats can win the House in November. Are Senate Democrats receiving similar counsel from Chuck Schumer?

**SENATOR BROWN:** No, I didn't even know about that, no. A Senator named Roy Blount, a conservative from Missouri, at one time Roy and I knew each other many years ago when we were both secretaries of state, he in Missouri, I in Ohio. He one time said to somebody, "I've known Sherrod Brown for 30 years and we've agreed a total of five times." And he kind of laughed, and then he said, "But all five of those are federal law." So I know I don't get anything done without a Republican co-sponsor.

I'm now working with Shelley Moore Capito, who represents West Virginia in the Senate. Her state and my state have the highest per capita death rate from opioid overdose. We have a bill we're working on together. We know the federal government spends a lot of money on addiction treatment. We know the federal government spends a lot of money on worker training. We also know, though, that employers often can't find workers that pass drug tests. And we know that people that go through addiction training can't find jobs.

So we are putting our bill in a way that combines opioid treatment with job training, so when people get through addiction treatment, they will have training; they can get into the workplace to avoid the downward spiral.

So I always work that way. If you want to get something done around here, you do that. I would be shocked if Schumer would ever tell us to not work with Republicans. I mean, that's what I do. Senator Portman and I, I've worked with Senator Portman on the steel tariffs. I work with Senator Portman on preserving the cleanup of Lake Erie. One issue after another, after another.

**MS EDNEY:** Thank you. Much of the conversation here is about employees and pensioners; obviously, understandably. What, if any, protections need to be made on behalf of employers?

**SENATOR BROWN:** The reason employers have come to us, in support of Butch Lewis in some cases, and others just supportive of the whole effort, and the reason the Chamber of Commerce is involved, is they know a couple of things. They know that those businesses that have multiemployer pensions are in trouble if we can't fix this; they know that. Second, they know if those companies that are not in that situation, they know if we don't fix this, they know the damage that could be done overall to the PBGC, the Pension Benefit Guaranty Corporation.

And they also know the damage it does to a community. If there's a rural community in Coshocton County, and there are a whole lot of mine workers in that community and their pensions are cut by 50%, that has a big impact on the local diner, on the local hardware store, on the tax duplicate to pay for schoolteachers, for local government funds to pay for schoolteachers.

So they all recognize, business recognizes that as long as we do this in a way that there's not a huge expenditure of public dollars, and that's our pledge, then it's good for the economy and good for those businesses.

**MS EDNEY:** What would this plan mean for taxpayers?

**SENATOR BROWN:** This plan will mean— again, I don't know what the plan's going to be, but our doing this right — and we're going to do it right — our doing this right will save taxpayers a lot of money because, as I said in my speech, if we don't do this and these plans end up in the PBGC, first people like Mike and Dave and Norm and so many others see their pensions dramatically cut, then their pensions end up going into the PBGC where they experience those cuts. And then other bad things happen.

And one of the bad things that would happen, Congress I would assume would step in. As dysfunctional as sometimes Congress is, they would step in to at least prop up some of those pension dollars. And that would be much more expensive to the PBGC and much more expensive only to taxpayers that fund the PBGC in that case.

So that would be a bailout. What we're doing is a responsible way to save significantly tens of billions of taxpayer dollars and do this with the Butch Lewis loan program in a way that's much more fiscally responsible.

**MS EDNEY:** Do you think that the rates set by the Tax Reform Act of 2017 are too low?

**SENATOR BROWN:** The rates set by the?

**MS EDNEY:** 2017–

**SENATOR BROWN:** Corporate tax, individual tax. Yeah, I mean, the corporate– what I think is that– I find interesting today that– I mean, Paul Ryan has announced his retirement, as you know. He came to the Congress, as many do, talking about being deficit hawks. We had in front of us in committee today Director Mulvaney who bragged about being a deficit hawk when he came to Congress. And they've presided over this huge explosion in the federal deficit. Eighty percent of this tax cut, over time, goes to the richest 1% of people in this country. That's that \$5000 a month tax break I mentioned, contrasted with what Mike and Dave would get on their pensions.

So this tax bill, it did no investment in the future. It should have funded an infrastructure bill. Instead, it was a give-away to the largest companies and the richest people in the country.

I would add one other thing, that right now, my state has been so bludgeoned by this. We have seen, because in part because of trade agreements, in part because of federal tax policies, we've seen companies shut down in Barberton, near him, or in Dover, near you, or Mansfield, where I grew up. We've seen companies shut down. They move their production overseas and they get a tax break. They can deduct the cost of their move against their federal income tax. Instead of closing that loophole in the tax bill, we opened up another one because of the differential in tax rates, making it more likely that companies will shut down in Dover and New Philly and Barberton and Mansfield and move overseas.

So instead, I offered– first time I met President Trump was at a meeting of a dozen Senators, mostly Republicans, maybe about four or five Democrats, the rest Republicans, on the tax bill. And we met in the Cabinet Room. And I told him of two bills I had. The purpose was to talk about the tax reform. And I said I have two bills; one is the Patriot Corporation Act. If a company is doing the right thing, if it pays its workers good wages, if it does the right thing in terms of paying benefits and healthcare and retirement, that company should get a lower tax rate. The other bill was the Working Families Tax Relief Act. Those individuals that are making 20, 30, 40,000 a year and working hard ought to get a higher Earned Income Tax Credit.

If we had used those as bookends on the tax bill, we would have a tax bill that works better for economic growth. We would have rewarded those companies that do the right thing. We'd have more production in this country. Instead we passed a bill that sings with an upper class accent.

**MS EDNEY:** So this plan doesn't address the pensions of all Americans. It's a small segment of the population. So the question here is, is it fair to increase the burden on all taxpayers to help just a small segment of the population?

**SENATOR BROWN:** I see that. I understand we're not remaking the entire pension system. But where I don't agree is, this is not asking taxpayers to do more; this will mean taxpayers will only do less because we know that if the Pension Benefit Guaranty Corporation collapses— first, if these individual pensions are dumped into the PBGC causing the collapse of the PBGC, it's almost certain that Congress would step up with tens and tens and tens and tens of billions of dollars. Our bill's much more prudent and fiscally responsible than that. So it's significantly fewer public dollars.

So we're not asking taxpayers to step up specially for Mike and Dave and their brothers and sisters. We're saying that we want to do this in a way that only saves taxpayers money and lives up to the pledge that they thought they had when they signed those contracts 10 and 20 and 30 years ago.

**MS EDNEY:** Do you believe that there should also be conversation about providing assistance to people whose retirement funds are in 401(k)s, when markets crash, for example.

**SENATOR BROWN:** Well, that's too much for this bill. I think we should have a discussion about pensions. We should have a discussion about this country's movement away from defined pension benefit a defined pension contribution. We should have those discussions. We also should have discussions about a whole host of economic issues.

I mean, I look at this administration right now. On the day that Secretary Perez and Vice President Biden flew out to Columbus, Ohio, and announced a rule that I'd been working on with them for a good while to require that those people making 30, 40, 50,000 a year, who management determined would be called supervisors, that the companies can make those workers making 30, 40,000 a year, if they're supervisors, if they declare them management, they could work those workers 50, 60 hours, not pay them overtime. Secretary Perez changed that rule through the Department of Labor, updated that rule so that 150,000 people in my state would have gotten a raise.

It's things like that that we should be doing. I mean, literally it's people, \$30,000 a year, working 50 hours; they should get paid for those other ten hours, get paid time-and-a-half. It would have made a huge difference in a lot of lives. This administration is scaling that back. Those are the kind of things we ought to be talking about.

**MS EDNEY:** Thank you. We are talking about providing assistance in the form of loans to pension funds in the current proposal, right? Can we expect those pension funds to repay the loans—

**SENATOR BROWN:** Oh, absolutely.

**MS EDNEY:** —given their predicted insolvency.

**SENATOR BROWN:** The whole way this was set up, through a government agency— it could be Treasury, it could be a separate agency; I'm not wed to one concept. Butch Lewis sets up a separate, I believe within Treasury, a separate account. It's going to be a separate account, but a separate kind of office. Because when government borrows this money over 30 years, the interest rate will be low enough that— any historic investment means there's a huge delta between that amount and the amount that the economy will grow and that money will produce. So we will absolutely pay it back.

I would not want to be part of this if it were going to be something that we had no intention of paying back. It just wouldn't work.

**MS EDNEY:** And what do you think the ramifications would be for pension plans in the future? If the government steps in here, do you think other pensions plans going forward would or should expect the same?

**SENATOR BROWN:** I don't think any other— this is a unique situation and these plans are different. PBGC— I live in Cleveland, about six miles from a steel plant where a lot of workers took a hit on their pensions because they went to the PBGC. And nobody gets from the PBGC what their promised pension was. We see a lot of those individually. I'm hopeful that with a better economy and better management now, and if— I'm concerned when I listened to Director Mulvaney today of the PBGC talk about his deregulation agenda and what that might mean for a future implosion of our economy because of bad Wall Street management. That's a whole 'nother issue.

But if we manage this right, I don't see these plans— they're not coming in again and again like that.

**MS EDNEY:** I have a question here about the coal mining industry. Recently, Congress considered legislation to shore up retiree healthcare for retired coal miners whose companies went bankrupt, and also protection for miners' pensions. The healthcare protections were passed, but Congress kicked the can down the road on the pension issue. If your committee doesn't reach a fix for a wide range of pension problems, doesn't Congress has an obligation to at least take care of the retired miners because of the collapse of the coal sector and promises made by the federal government dating back to the Truman administration. Isn't coal mining a special case?

This is probably the longest question I'll ask.

**SENATOR BROWN:** Coal mining was a special case two years ago; that's why Senator Manchin and Senator Donnelly and Casey and Capito and others and I advocated. And Cecil was there every day, just about, and Phil, and so many others. That's why we finally convinced a reluctant Republican leadership in the House and Senate to do what they should have done.

That was unique to coal. What's happened in the coal industry has happened, maybe not quite as dramatically, but in other industries, too. I want to fix coal. I want to fix this for coal miners, but I want to fix it for other workers. And I don't think we've started separating—part of the beauty of the trade union movement is they support each other. I was talking yesterday to a group of electricians about a ballot issue in Ohio. Some of you remember the only time in American history when there was a statewide vote on collective bargaining, this one for public employees. Never had been a statewide vote on collective bargaining.

The beauty of that campaign, if you will, when we defeated the effort to roll back collective bargaining rights by almost 25 points, was how unions really stuck together. Because this was only about public employees, but the trades were involved – the industrial unions were involved, the service sector was involved, all the trade unions across the board – understanding that when the far right, the anti-labor crowd goes after Davis Bacon, aiming at the trades, that others will be involved in helping. When they go after the industrial unions, all the union movement will be together.

That's the whole point of the trade union movement, that if one union's under threat, they're all under threat. And in this case, I think it would make no sense. I don't think the mine workers would advocate that. They were a special case in healthcare because of the Truman problem, but this is a pension issue that goes well beyond the mine workers and well beyond the teamsters to hundreds of thousands of other workers.

So they always will stay together on something like this.

**MS EDNEY:** Thank you. In the recent Pennsylvania 18 special election, Connor Lamb, who's being sworn in today, mentioned pensions in almost every campaign speech. His opponent stayed away from the issue. Will pension security be an issue this fall? And in 2020, will that create a new group of swing voters?

**SENATOR BROWN:** I don't know a lot about Connor Lamb's campaign, except what I kind of saw on TV. But I know he talked a lot about pensions. But I think his election, his part of the— his district looked a lot like the county you live in, correct, Coshocton County, it really did look a lot like that. But workers, whether they're urban, whether they're suburban, whether they're inner city, whether they're Appalachian, workers want to know you're on their side. Whether it's overtime pay, whether it's healthcare, whether it's pensions, workers want to know that.

So I won't win an election based on any one issue. I'll win an election based on fighting for workers that I'm going to be on their side on every issue. And I'll make the contrast between what I stand for on healthcare, on pensions, on keeping Lake Erie clean, on providing opportunity to young people to get good education and good jobs, and contrast that with this sort of corporate conservative agenda that was ascendant a couple of years ago and no longer is.



**MS EDNEY:** Thank you. Senator Rob Portman recently suggested that he's seeing signs of partisan entrenchment on the Select Committee. Have you spoken with him about his concerns?

**SENATOR BROWN:** Yeah, I have. That was in Rob's opening statement in the committee the other day. That as a pretty minor thing. I mean, he knows the first thing I did when the four legislative leaders began to announce their members on the committees— first Schumer came to me and said, "You want to co-chair?" And I said, "Yes." And then McConnell, I guess, went to Hatch and said the same. Then when the names were announced, I called literally every one of them on the phone, regardless of party or which House they were in. Rob knows that.

The Democrats had had a meeting prior to that meeting, but Republicans do the same thing. So I think it was just put on notice, don't make this partisan. And we're not going to. And Rob knows we aren't.

**MS EDNEY:** That's great to know. So moving on to broadening the conversation beyond pensions a little bit. The House of Representatives is voting on a balanced budget amendment to the US Constitution. What is your stance on this? And do you think the Senate will go for it? What are its chances of becoming law?

**SENATOR BROWN:** It's sort of interesting that because the majority party blew a hole in the federal budget, they've got to go back and say, Please, let's do a balanced budget constitutional amendment so we don't do bad things anymore. Really. "Stop us from doing that, please, and we'll stop ourselves by doing that."

**MS EDNEY:** Checks and balances. You recently said that trade enforcement is not the same thing as a trade war. Do you agree with the President's move to hold China accountable? And do you think this will help or hurt the US in the long run?

**SENATOR BROWN:** I have a long history on trade issues. One of my first votes ever in Congress was in opposition to the North American Free Trade Agreement. I've written a book about trade. I recognize what PNTR, permanent normal trade relations, with China did. I support Presidents or oppose Presidents regardless of party based on their positions on trade. And my first year, I opposed the President of my party in my first year in office on NAFTA.

I supported the steel tariffs with President Bush. I suppose the steel tariffs with President Trump. I wished he hadn't said "this is a trade war, I want a trade war." It's not a trade war. It's a trade enforcement action. Tariffs are temporary. Tariffs are a tool. They're not a trade policy. If this gets China to the table, then it absolutely— I agree with the tariffs. And I think it's our best chance to get China to come to the table and really negotiate.

Start with this: years ago when I was in the House, somebody told me that China had 150 million unemployed workers. And whether that numbers exaggerated or precise, or not, but when China, because China has so many unemployed workers, they need to put their

people to work to prevent social unrest. So they subsidize their energy, their water, their capital, their land. So they put people to work. Those are violations of trade laws in many cases. That's what they're going to do.

So we start with that. Half of the steelmaking capacity in the world is in the People's Republic of China. So they want to make steel, they want to keep their people working, we've got to stand up and draw a line and say, You're not going to cheat when you make steel. You're not going to cheat when you make aluminum. You're not going to cheat, you're not going to work your way up the supply chain and continue to subsidize production at the expense of American workers.

**MS EDNEY:** Just now, Trump asked his advisors to explore rejoining TPP, the Trans-Pacific Partnership. You applauded Trump in 2017 for withdrawing from TPP. What are your thoughts on rejoining?

**SENATOR BROWN:** I didn't know he was saying that, and I don't know what he'll say tomorrow. [laughter]

**MS EDNEY:** What do you think about rejoining TPP?

**SENATOR BROWN:** Well, I'd not thought that was a consideration because I thought he pulled out of TPP. Two days after he was elected, I sent a letter to the administration, or I called the administration a week later and sent a letter asking to pull out of TPP and asking and offering my help to renegotiate NAFTA. I guess I'd want to hear what he's thinking, but I don't know why he would do that.

I would support a Trans-Pacific Partnership trade agreement if it had three or four major components. One, that it didn't play one industry against another; it didn't play agriculture against industrial workers. Second, if workers actually had a place at the table in these negotiations. Third, that we had real Buy America provisions allowed in these trade agreements. And fourth, that there be a strong labor chapter. And a strong labor chapter means collective bargaining rights will be enforced, particularly in countries where they've used violence to suppress worker organizing, that the labor chapter would have to include currency provisions. There's a lot of things that I've gone to administrations in both parties over the years to try to get them to adopt.

I want more trade. I just want it under terms that work for American workers and American companies.

**MS EDNEY:** You have opposed NAFTA and CAFTA while the agriculture community supported them. Would you support NAFTA 2.0? And are you optimistic or pessimistic that that can get done?

**SENATOR BROWN:** I'm going to talk to Trade Representative Lighthizer today. I called him a couple days ago and kind of went through some of the things we want to see in NAFTA. The things we've talked about – a stronger investor/state dispute settlement – if we

fix the investor/state dispute settlement, if we fix currency, if we fix the labor chapter and we fix some of the environmental issues that have been a problem in NAFTA, I could very well support it. My goal is to work with them and get to a place where I can support it. I'm working with a number of labor unions on talking with Lighthizer. Lighthizer's been very open. I think he's the best Trump nominee in terms of the work he's doing.

I'm optimistic that we can get to NAFTA 2.0.

**MS EDNEY:** Thank you. Discussing Trump nominees, what do you think of President Trump's selection of Ronny Jackson as the new VA head? And what do you think needs to be done at the VA?

**SENATOR BROWN:** We were all, everybody in the— I'm on the Veterans Committee. Every Senator I talked to about this was surprised with his appointment. I know he has leadership training in the military. I give a lot of credit for that. He's an admiral. I don't know about his leadership skills to run one of the largest entities in the United States of America, the Veterans Administration, which has hundreds of thousands of employees.

So I don't know about his skills; I want to know more. But primarily, I want a commitment from him that he will not privatize the VA. I know what happens when you privatize. The workers lose wages and benefits. The people who are being served see the service diminish. And a few people make a lot of money from it. And whether it's privatization of prisons or privatization of Medicare or privatization of Social Security or for-profit charter schools, which are far too common in my state, privatization efforts always undermine public confidence. And privatization efforts always hurt the general public and those who the agency's supposed to serve.

So I want a commitment from him at our veterans hearing that he will oppose any privatization efforts. The problem is the White House, at the bidding of the Koch brothers, seem to want to privatize the VA. And what's interesting is, every organization I talk to, every veterans organization — the Veterans of Foreign Wars, the Disabled American Veterans, the American Legion, the Polish American Veterans — virtually every veterans organization opposes privatization. So I'm not sure why the President wants to continue with this. I'm hopeful that Dr. Jackson doesn't push for that. But he needs to commit to all of us that he will not support, and will in fact oppose privatization.

**MS EDNEY:** Thank you. Speaking of the White House, a Business Insider story recently named you as one of the top ten Democrats to watch for 2020. Do you plan to run for President?

**SENATOR BROWN:** No, I have no interest. There was a Senator from Vermont years ago that had a lot of colleagues that were looking in the mirror and seeing a President, as many of my colleagues do. And he said the only cure for the presidential virus in the US Senate is embalming fluid. [laughter] So I'm not ready yet.

**MS EDNEY:** You're not ready, you're not there. All right. Vice President, also no?

**SENATOR BROWN:** No.

**MS EDNEY:** All right, last question. If you could design any solution to the multiemployer pension crisis without worrying about it getting the votes it needs to pass, what would that be?

**SENATOR BROWN:** Butch Lewis is— five years ago, I wasn't a pension expert. We all learn these things. And the more I studied this and the more obvious it became, the model of Butch Lewis, of fixing our pension system, doing it that way made all the sense in the world. So I would model it very closely to that law.

**MS EDNEY:** I have one final thing with you, but before we get to that, I'd like to highlight just a couple of upcoming events here at the Club. We have, on April 17<sup>th</sup>, this coming Tuesday, at eight-thirty a.m., we have California Governor Jerry Brown coming in. And we have a luncheon on May 14<sup>th</sup> with Secretary of Commerce Wilbur Ross. May 17<sup>th</sup>, the Small Business Administrator Linda McMahon is coming in. Please join us, please join us for these luncheons.

Everybody, thank you so much for being here.

Senator Brown, the Press Club would like to present you with a mug. Please use this in good health.

**SENATOR BROWN:** Is it made in China?

**MS EDNEY:** I'm going to say it's made in America.

**SENATOR BROWN:** Do you think it is?

**MS EDNEY:** I hope it is.

**SENATOR BROWN:** It does say "made in China." Well, unlike my suit, which was made by union labor five miles from my house, this is really a nice mug, and I'm still going to take it, and I really like it, but you ought to get made in America—

**MS EDNEY:** We should. Thank you. [applause] And with that, we are adjourned. [sounds gavel]

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