

Hi Mark;

On behalf of USW 1005 President Gary Howe and myself, we would like to thank you for arranging and including us at the December 8th round table discussion regarding the very important issue of retirement security. The last time there were changes in CCAA and the BIA were in 2008. These incremental changes only entitled workers to \$2000 for pensions, unpaid wages and severance to be paid ahead of secured creditors. CCAA and the BIA need bold changes that works for working families not just the people on the top.

CCAA and BIA should disincentivize employers from reckless and possible illegal behavior. The recent and on-going Sears Canada fiasco highlights the injustice that takes place under the current system. Restricting dividend payment, share redemptions and executive compensation packages until pension are fully funded, on a wind-up basis, would be viewed as an excellent safeguard if applicable to all defined pensions plans. Pensions need to have secured creditors status. The logic that Pensions are unsecured because they aren't secured with an asset needs to be changed. Unfunded pension plans should be secured against a company's assets.

During the recent US Steel Canada/Stelco CCAA process the Court appointed Monitor brought a motion for the suspension of retirees health care benefits claiming that they would be \$100 million into the \$150 DIP line of credit with 8 months. The Motion was granted by the CCAA Judge. This unnecessary suspension of OPEBs caused great anxiety and unease for over 20,000 pensioners and dependents. Ten months later the Union and other stake holders brought a motion forward requesting that the temporary suspension of OPEBs be lifted as the fortunes of the Company rebounded and now had \$300 million plus cash on hand, that Motion was unbelievably denied by the CCAA Judge. Post employment benefits and pensions are in fact deferred wages that were earned after working 30, 40 or more years. These benefits developed after decades of Collective Bargaining but were eliminated with the stroke of a pen. What's next? Reducing wages and benefits of active employees? It seems immoral to suspend an earned and bargained right when there are funds to cover the cost.

Under the current CCAA legislation greedy immoral opportunists are gaming the system at the expense of workers and retirees. Bold changes must be implemented immediately which would greatly ensure Canadians can retire in dignity and security.

Please see attached copy of Senator Art Eggleton's second reading of his Bill S-253 which highlights the Sears Canada issues and his non-radical solution that would give real protection to pensioners during insolvency.

Thank you,

Ron Wells
USW 1005
Grievance Chair and ELHT Trustee