

**Statement of Senator Larry Craig**  
**Senate Special Committee on Aging**  
***“Access to Adequate Health Insurance: How does the***  
***Equal Employment Opportunity Commission’s Recent***  
***Rule Affect Retiree Health Benefits”***  
***May 17, 2004***

Good Morning. Thank you, Senator Breaux, for putting together this inquiry regarding the Equal Employment Opportunity Commission’s recent ruling regarding retiree health benefits.

I believe that the recent EEOC ruling represents a conscientious attempt to address a tremendously difficult issue and to establish a fair balance. It represents an acknowledgment of the reality that employer-provided health benefits are under tremendous financial pressure. Without greater flexibility for employers, many argue, the result could well be an acceleration of employers pulling out of retiree health coverage altogether.

This ruling is a serious attempt to assure that retirees and future retirees alike are treated both realistically and reasonably. And indeed, the fact that both unions and employers have come together in support of the EEOC ruling is, I believe, an important indication of this seriousness.

This said, however, I recognize that there are those who disagree – and disagree strongly – with the EEOC’s decision, and I myself have not yet made a final determination. I doubt there is anyone in this room who disagrees with the overall goal of seeking to preserve robust employer involvement in retiree health coverage. Where the differences lie is on whether we believe the EEOC’s ruling will have a positive or a negative effect on the future of such coverage.

Supporters of the EEOC's decision argue that it will have the effect of preserving coverage for a greater number of retirees. Opponents predict that the reverse will be true. We are here today to hear from a distinguished set of experts on precisely this question.

All too often, because of the prosperity we enjoy in this country, we forget the enormous costs borne by those who support our health care system. This hearing today is a welcome effort to again remind Congress and the public that the cost of providing health benefits for retirees is an ever increasing concern.

Business, unions, employers and employees, together with the American taxpayer, must constantly review the costs and the benefits associated with health care coverage. Balancing what is needed to adequately meet the health care needs of retirees with what can be afforded is an ongoing and necessary enterprise.

I want to thank all the witnesses for being here today. I look forward to carefully considering their respective views and concerns as I and my colleagues continue to weigh this issue in the weeks and months ahead.

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