



Nebraska Association of Retired School Personnel

To Serve and Not to Be Served

December 11, 2007

The Honorable Chuck Hagel (R-NE)
United States Senate
248 Russell Senate Office Building
Washington, D. C. 20515
Dear Senator Hagel:

On behalf of Nebraska's retired teachers, we urge you to address Argentina's debt obligations to American bondholders. Argentina's 2001 default on more than \$80 billion in sovereign debt obligations has had indirect costs of more than \$10 billion on American taxpayers and pensioners, including Nebraska's teachers. The Argentine government has since refused to pay it back. As our elected officials, we ask you to help bring Argentina back to the negotiating table to repay holders of defaulted Argentine bonds.

America's pension fund representing American teachers and professors, TIAA-CREF, incurred losses of over \$100 million as a result of the Argentine default. In 2006 the pension fund filed a lawsuit in U.S. District Courts against Argentina seeking a judgment on behalf of its investors. In addition, hundreds of lawsuits have been filed in the US and internationally against Argentina for breaking its contracts and refusing to pay its debt.

Argentina's avoidance of its debt obligations is a stab to Nebraska's retired teacher community. Many of Nebraska's teachers cannot afford to retire without relying on their TIAA-CREF pension funds, which are at risk because of Argentina's refusal to honor its obligations.

Argentina's actions demonstrate a fundamental disrespect for American values of honoring contracts. To allow a foreign government to interfere with this system is a direct insult to our way of life. Countries should not be allowed ignore the principles of lending especially if it affects the pensions of Nebraska's educators. With over \$43 billion in foreign reserves, Argentina is not a poor country and can well-afford to payback its debt to Americans.

By allowing Argentina's actions to go unchecked, Nebraska's educator community suffers. A united stance from Nebraska's senators will send a strong signal that our government will not stand idle while Argentina deprives Nebraska's retired teachers and school personnel the money we are owed. We ask you to look into this issue; we look forward to your response.

Respectfully,

Bob Kuhn, NARSP

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