

2016 TVA RETIREMENT SYSTEM BOARD ELECTION - CANDIDATE INFORMATION



James W. Hovious

Systems Engineer, Generators
Power Operations, Chattanooga
37 years of TVA service

Education and Professional Designations:

Bachelor of Science in Electrical Engineering, Tennessee Technological University, 1979.
Master of Science in Electrical Engineering, Tennessee Technological University, 2005.
Registered as a Professional Engineer, Tennessee License # 00016278.
Member, Institute of Electrical and Electronic Engineers (IEEE).

Previous TVA Experience: I have worked on generators in all TVA coal plants and in many TVA nuclear, hydro, and gas plants over the past 37 years. I have been involved in many failure investigations and major upgrade projects on generators during this time.

Other Information: TVARS Board Member, 2013 to present. President, Save Our Retirement. Banjo Player, Possum Hunters Bluegrass Band. Married, Two Adult Sons.

Three years ago when I ran for the TVARS Board, I made a commitment that I would vote against any cuts in benefits, and I have honored that commitment. If reelected, I will continue to fight future rounds of benefit cuts, which in my opinion are likely. The latest round of benefit cuts breaks commitments made to employees and retirees and needs to be challenged in court. I have strongly supported the lawsuit filed over the 2009 benefit cuts and will support any future lawsuit filed over the latest round of benefit cuts.

The following rule changes are needed, and I will work to educate TVARS members regarding the importance of having three elected TVARS Board members who support these rule changes:

- The 7th TVARS Board member, who is presently selected by the other six TVARS Board members and who has traditionally always been a retiree, should be elected in an open, transparent election in which all retirees are eligible to vote.
- The 7th TVARS Board member should be prohibited from engaging in any kind of business relationship with TVA, including consulting, contracting, or representing a company seeking to do business with TVA. No one should be placed in a position of having to choose between honoring their fiduciary duties or personal financial gain.
- A recall election provision for elected TVARS Board members needs to be implemented. TVA executives can and have removed TVA-appointed members from the TVARS Board for not representing the interests of TVA. TVA employees should have the same ability to remove elected TVARS Board members not representing employee's interests.
- TVA employees who are covered by the Supplemental Executive Retirement Plan should not be allowed to sit on the TVARS Board because TVARS benefits represent a much smaller percentage of their total benefit packages than they do for the vast majority of TVARS members.

I will work with the NRLN and the EA-IFPTE 1937 to push for legislation in Washington that will make the provisions of Internal Revenue Codes 409A and 430 apply to TVA executives just as they apply to private utility executives. IRC 409A and 430, enacted in part due to the Enron debacle, heavily penalize private company executives on their tax-deferred compensation if the funding level of the general pension plan for their company's employees is "at-risk" (less than 80%). TVARS is now at 50%. Private company executives typically see to it that their employee's pension plans are not at risk. The existence of these tax laws changes the thinking of executives who might have a flippant, callous attitude in regard to funding the pensions of the employees who do the real work. Congress passed these laws because it recognized that it is a despicable situation for company executives to have a fully-funded retirement for themselves while the rest of the workers are shortchanged on their retirement benefits.

INFORMATION IS BASED ON THE CANDIDATE'S REPRESENTATION.