

Multiemployer Pension Plan Coalition

December 6, 2005

The Honorable Dennis J. Hastert
Speaker of the House
House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

We are writing on behalf of the Multiemployer Pension Plan Coalition to urge your support for the inclusion of proposals to strengthen multiemployer defined benefit pension plans in the final pension reform legislation. We, the members of the Multiemployer Pension Plan Coalition, which consists of a broad group of employers, employer associations, unions and multiemployer plans are unified in our support of funding reforms that would reform the multiemployer plan funding rules while protecting the PBGC and the pensions of millions of Americans.

We appreciate the commitment that you have made to reform the private retirement system, of which multiemployer plans are such an important part. The multiemployer plan reforms that are included in the pension reform legislation approved by the Committee on Education and the Workforce and the Committee on Ways and Means (H.R. 2830, the Pension Protection Act of 2005) are an excellent first step toward addressing the concerns we have regarding the future of multiemployer plans.

We do, however, have concerns regarding certain issues with respect to the legislation and, in particular, believe that it is important to underscore the fact that our continued support of the legislation is contingent upon the inclusion of the following items in the bill that emerges from the House:

- The trustees and parties of a multiemployer plan in critical status must be provided with the necessary tools to correct the plan's financial situation. Specifically, the legislation must include the authority for critical status plans to protect normal retirement benefits at normal retirement age by permitting the modification of certain ancillary, non-core benefits and requiring employer surcharges. Failure to do so could ultimately result in normal retirement benefits being slashed by the PBGC when they absorb these liabilities;
- Contributing employers to a multiemployer plan in critical status that has adopted and is complying with a rehabilitation plan must be protected from potentially devastating, extra-contractual contribution requirements and excise taxes that could trigger bankruptcies and, eventually, plan failures, the transfer of liabilities to the PBGC, and drastic reductions in participant benefits; and
- Grandfathering protection should be provided with respect to amortization extensions in effect prior to the date of enactment and to preserve agreements to restore benefit cuts made by plans that took these unpopular yet responsible actions in conjunction with contribution increases prior to enactment to address the funding crisis.

The enactment of multiemployer reform legislation that resolves these issues is critical to enabling multiemployer plans to solve their own problems, without resorting to a government bailout or adding to the PBGC's liability. We urge that this matter be brought to the floor for full consideration -- and passed with these changes -- by the House of Representatives as soon as possible.

We appreciate your consideration of this important matter and look forward to working with you to secure and strengthen multiemployer pension plans.

American Federation of Musician

American Federation of Television
and Radio Artists

American Trucking Associations

Associated General Contractors of
America

Bechtel Construction Company

The Affiliated Unions of the
Building and Construction Trades
Department, AFL-CIO

Carhaul

D'Agostino Supermarkets, Inc.

Food Marketing Institute

Finishing Contractors Association

International Association of
Mechanists

International Council of
Employers of Bricklayers & Allied
Craftworkers

The Kroger Co.

Mechanical Contractors
Association of America

Motor Freight Carriers

National Electrical Contractors
Association

National Coordinating Committee
for Multiemployer Plans

Pathmark Stores, Inc.

Recording Industry Association of
America

Safeway

Schnuck Markets, Inc.

Sheet Metal & Air Conditioning
Contractors' National Association

The Stop & Shop Supermarket
Company LLC/Giant Food LLC

SUPERVALU INC.

National Erectors Association/The
Association of Union Constructors

United Brotherhood of Carpenters
and Joiners of America

United Food & Commercial
Workers Union

UPS

US Chamber of Commerce

Washington International Group

Yellow Roadway Corporation