

Multiemployer Pension Plan Coalition

American Benefits Council
American Federation of Musicians
American Federation of Television
and Radio Artists
American Trucking Associations
Associated General Contractors of
America
The Associated Maintenance
Contractors
Bechtel Construction Company
The Affiliated Unions of the
Building and Construction
Trades Department
Bituminous Coal Operators
Association
Carhaul
D'Agostino Supermarkets, Inc.
Food Marketing Institute
The Financial Services Roundtable
Finishing Contractors Association
International Association of
Machinists
International Council of Employers
of Bricklayers & Allied
Craftworkers
International Union of Operating
Engineers
The Kroger Co.
Laborers International Union of
North America
Mechanical Contractors
Association of America
Motion Picture Association of
America
Motor Freight Carriers
National Association of
Construction Boilermaker
Employers
National Electrical Contractors
Association
National Coordinating Committee
for Multiemployer Plans
National Grocers Association
National Roofing Contractors of
America
The Newspaper Association of
America
Office and Professional Employees
International Union
Pathmark Stores, Inc.
Printing Industries of America
Recording Industry Association of
America
Safeway
Schnuck Markets, Inc.
Sheet Metal & Air Conditioning
Contractors' National Assoc.
The Stop & Shop Supermarket
Company LLC/Giant Food
LLC
SUPERVALU INC.
NEA/The Association of Union
Constructors
United Brotherhood of Carpenters
and Joiners of America
United Food & Commercial
Workers' International Union
UNITE/HERE
UPS
US Chamber of Commerce
Washington International Group
Yellow Roadway Corporation

March 8, 2006

The Honorable Members of the
United States House of Representatives
Washington, DC

Dear Representative:

Once again we are writing as members of the Multiemployer Pension Plan Coalition ("the Coalition"), a broad group of employer associations, unions, individual employers and multiemployer plans that represent virtually all elements of the multiemployer defined benefit plan universe, to urge your support for the inclusion of proposals to strengthen our plans in the final pension reform legislation. Our purpose in writing is to ensure that every Member of Congress understands that certain elements of reform remain vital to the Coalition and that we continue to be unified in our support of a bill that would restore certain elements of ERISA's original multiemployer plan funding rules and reshape others to ensure the continuation of these plans by enabling them to solve their own problems without resorting to a government bailout. Your support of the Coalition provisions will protect the pensions and jobs of millions of hard working Americans; protect the economic security of tens of thousands of predominantly small employers that contribute to such plans; and ultimately protect the PBGC and the American taxpayer.

We appreciate the leadership and commitment it took to pass meaningful reform of the private retirement system. In particular, we applaud your inclusion of many of the multiemployer reforms the Coalition is seeking in one or both of the bills that passed by such large margins in the House and the Senate late last year. Together, they form an excellent foundation for the joint Conference Committee as it blends the best elements of both in crafting the final legislation.

As that process moves forward, however, we continue to have serious concerns regarding certain aspects of the legislation. As the legislation has evolved, the Coalition has been fully engaged with Members and staffs of the various Committees of jurisdiction in an open and constructive dialogue regarding these issues. Nevertheless, we cannot overemphasize the vital role you can play in conveying to them the importance of reflecting certain aspects of the Coalition's proposal in the final bill. Among others, these issues specifically include:

- **The legislation must restore to plan Trustees and the Bargaining Parties the option to modify certain ancillary, non-core benefits for critical status plans to protect normal retirement benefits at normal retirement age and to require employer surcharges as provided in the House bill.** Rather than representing a failure of the system to protect such "extras", a vote in favor of this provision is a vote to guarantee that these plans will survive to pay current and future generations of workers a decent retirement income at normal retirement age. To deny the parties the opportunity to bargain over such provisions provides the illusion of protecting participants of troubled plans while in reality it will only temporarily benefit a minority of participants who will receive such benefits while the trust wastes away. When that happens, all participants will lose these ancillary benefits as well as a significant portion of their normal retirement benefits when the PBGC is ultimately forced to pay benefits at the low multiemployer guarantee levels that, at best, provide only about one-fourth of the single employer guarantees;
- **Employers** who contribute 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 sweeping excise taxes** that could trigger bankruptcies, plan failures, the transfer of liabilities to the PBGC, and drastic reductions in participant benefits; and
- **Provisions that favor one group of small employers at the expense of others must not be included in the final legislation.** Over 90% of all employers that sponsor multiemployer plans are small businesses – employers that provide the good paying jobs and solid benefits that define America's middle class. To favor one group of small employers over another is inequitable and only shifts liabilities to be shouldered by the remaining small employers. **Help all small employers by giving plans the tools to reduce liabilities by improving their funding levels.**

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