

United States Senate

WASHINGTON, DC 20510

September 21, 2005

The Honorable William H. Frist
United States Senate
Washington, D.C. 20510

Dear Majority Leader Frist:

We are writing to request that you schedule consideration of legislation that has been reported by the Senate Finance and Health, Education, Labor and Pensions Committees to improve the rules governing employer-provided pension plans. While there is not complete consensus on every aspect of these bills, it is important that the Senate begin consideration of this broad pension legislation as soon as possible.

In private meetings and at a Democratic Steering and Outreach Committee meeting held earlier this summer, business leaders identified as one of their top issues the need for predictable and stable rules for determining their pension liabilities. Thus far, Congress has failed to act in a timely manner to address this and other pension issues affecting companies in many industries.

In May, the Pension Benefit Guaranty Corporation and United Airlines took the extraordinary step of initiating the termination of the four pension plans maintained by that airline as the company struggles to emerge from bankruptcy. At that time, Northwest and Delta faced similar pension funding difficulties and had requested Congress' help so that they could avoid bankruptcy. The decision last week by Delta and Northwest Airlines to file for bankruptcy because of increased fuel costs and pension liabilities further demonstrates the urgent need to act on legislation to address these problems. These companies alone employ over 95,000 people and provide twenty-four percent of the air transportation in this country which is vital to this nation's commerce.

Legislation enacted in 2004 that established a temporary replacement for the 30-year Treasury rate expires at the end of this year, and employers are concerned about the effect of this expiration on their ability to plan for their pension costs. In addition, clarification of the status of hybrid pension plans and the need to protect older workers in conversions to such plans, improvements in beneficiaries' access to plan information and the establishment of new rules for multiemployer pension plans are important components of our pension reform efforts.

The legislation reported by the Finance and HELP committees cover a broad range of policy changes to correct problems and provide certainty for private pension plans. These proposals should be considered under the regular order in the Senate, as we have done for numerous other bills this Congress reported from committees in a bipartisan fashion. Considering this important legislation as part of a broader reconciliation bill will severely limit the types of pension issues that can be addressed because of procedural limitations contained in the Congressional Budget Act and will result in an inadequate and ad hoc response to these important problems. We look forward to working with you to consider the comprehensive pension legislation as soon as possible.

Sincerely,

Patty Murray

Barack Obama

John C. Dingens

Byron L. Dorgan

Mark Pryor

Dick Durbin

Mark Dayton

Ken Salazar

Herb Kohl

Jim Johnson

Jim Jeffords

Bill Nelson