



COMMITTEE ON EDUCATION AND THE WORKFORCE
U.S. HOUSE OF REPRESENTATIVES

December 12, 2005

**Growing Number of Our Nation's Leading Newspapers
Highlight Urgency for Congress to Act on Pension Reforms**

Support Common Sense Reforms; Support the Pension Protection Act (H.R. 2830)

Dear Colleague:

When the House considers the *Pension Protection Act* (H.R. 2830), we will have an opportunity to make common sense changes to a pension system that has not been reformed in more than a generation. Indeed, this comprehensive reform legislation will fix antiquated laws that govern traditional defined benefit pension plans and protect the interests of workers, retirees, and taxpayers alike. The bill - passed in June by the Education & the Workforce Committee and in November by the Ways & Means Committee - strengthens pension plan funding rules, provides workers with meaningful disclosure about the health of their pension plans, and protects taxpayers from a possible multi-billion dollar bailout of the Pension Benefit Guaranty Corporation (PBGC).

As we read recent news accounts of even more corporate bankruptcies and pension plan terminations, editorial pages of our nation's leading newspapers are underscoring the fact that our traditional pension system is in crisis and in desperate need for reform. Here's just a sample of what they've said just in the last week:

- "As airline and steel workers have discovered, some [defined benefit pension] plans may never be able to live up to their promise. The government agency that guarantees pension benefits estimates that defined-benefit plans are underfunded to the tune of \$450 billion." (*Washington Post* editorial, December 11, 2005)
- "For years, Congress let employers underfund their pension plans and hide their true condition from both employees and shareholders. Although most pensions are solvent, those that aren't have a combined deficit of \$450 billion. The Pension Benefit Guaranty Corp., a federal agency, is supposed to insure pensions. But a raft of steel company and airline bankruptcies has left it with a long-term deficit of [\$22.8 billion] - and that's growing. If nothing changes, a massive taxpayer bailout is inevitable." (*St. Louis Post-Dispatch* editorial, December 9, 2005)
- "Congress, companies, unions, and employees need to ensure that pension plans are viable and fulfill their promises. They also need to modernize 401(k) plans to encourage greater participation, active investment decisions and changes in asset allocation." (*Indianapolis Star* editorial, December 7, 2005)

These editorials follow a series of similar pieces published earlier in the year, highlighting how the *Pension Protection Act* would benefit workers and retirees who rely on traditional pensions. Here is just a handful:

- "The bill, recently introduced, is a long way from becoming law, but experts say its proposed changes ... are vital for the 44 million Americans who have defined-benefit pensions." (*Los Angeles Times*, Kristoff, June 17, 2005)
- "The *Pension Protection Act* is a step forward in the fight to ensure that America's working men and women can enjoy a measure of retirement security after decades of dutiful work in the private sector." (*Miami Herald* editorial, June 17, 2005)
- The bill "would go a long way to buttress defined benefit plans and reduce the risk of a taxpayer bailout of the nation's embattled pension system." (*Denver Post* editorial, June 13, 2005)

When the *Pension Protection Act* comes to the House floor, we hope you'll join us and an ever-growing coalition of labor and employer groups in supporting comprehensive common sense reforms to ensure long-term pension stability for workers, retirees, and taxpayers. For more information on the bill, please contact the Education & the Workforce Committee at x5-4527 or the Ways & Means Committee at x5-3625.

Sincerely,

/s/

John Boehner (R-OH)
Chairman
Education & the Workforce Committee

/s/

Sam Johnson (R-TX)
Chairman
Employer-Employee Relations Subcommittee

/s/

Howard P. "Buck" McKeon (R-CA)
Member
Education & the Workforce Committee

/s/

Pat Tiberi (R-OH)
Member
Education & the Workforce Committee

/s/

Kenny Marchant (R-TX)
Member
Education & the Workforce Committee

/s/

Tom Price (R-GA)
Member
Education & the Workforce Committee

/s/

Charles Boustany (R-LA)
Member
Education & the Workforce Committee