



President
Robert Roach, Jr.

Secretary-Treasurer
Joseph Peters, Jr.

March 3, 2017

Mr. Daniel Liebman
Deputy Assistant General Counsel
Legal Policy Group, Office of the General Counsel
Pension Benefit Guaranty Corporation
1200 K Street NW
Washington, DC 20005

Dear Mr. Liebman:

These comments from the Alliance for Retired Americans are in response to your January 5, 2017 Request for Information regarding issues involving the alternative “two pool” withdrawal liability method in multiemployer pension plans. The Alliance for Retired Americans is a national retiree organization of more than four million members. Many of our members are retirees who are pension beneficiaries from multiemployer plans. Therefore, the financial stability and these plans is a critical issue for the Alliance as an organization and for our members who are beneficiaries.

As the PBGC considers approaches to the “two pool” withdrawal liability method, we ask you to consider the importance of maintaining guaranteed benefits to retirees. Upon retirement, our members have no ability to absorb the difficulties created when pension benefits are reduced. Often because of age and personal condition, they cannot go back into the workplace in an attempt to replace funds lost through lower pension benefits. Therefore, it is important that there are financially sound pension funds to meet the obligations owed to retirees.

We submit that the PBGC must ensure thorough and transparent due diligence. As part of the “two pool” method, employers may seek to move to the so-called New Pool and freeze their withdrawal liability in the Old Pool. In permitting such a move, the Alliance believes that the PBGC must assure to the greatest extent possible that current and future pension payments remain financially sound. The Alliance urges the PBGC to secure terms and conditions in such moves and use all available, appropriate tools to create financial stability in both the Old Pool and the New Pool. Such tools can include the use of surety bonds, letters of credit and/or securing assets to cover liabilities. Using those types of tools would mitigate potential future financial issues of the Old Pool and well as to the PBGC multiemployer insurance program. Future events may occur that could increase risk of loss to participants and PBGC, such as bankruptcy filings.

Securing assets has proven successful in surviving bankruptcy. Two examples are when employees were owed back pay from TWA and United Airlines. Those monies were paid in full with interest. While we are not familiar with utilizing that tool concerning pension liabilities, we believe it will have a similar successful outcome.

The Alliance appreciates the opportunity to comment on this Request for Information and looks forward to working with the PBGC to ensure a strong pension system for workers, retirees, and employers. Thank you for allowing us the additional time to submit our comments.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Robert Roach, Jr.", written in a cursive style.

Robert Roach, Jr.
President

cc: Michael Rae
Anne Henderson
Richard Fiesta
Eva Dominguez