[Sent to the full House]

February 10, 2004

The Honorable J. Dennis Hastert
Speaker of the House
U.S. House of Representatives
235 Cannon House Office Building
Washington, DC 20515

Immediate Action on Pension Funding Rate Fix Is Critical to Retirement Security, Economic Growth

Dear Mr. Speaker:

On behalf of the thousands of employers that we represent and millions of their employees, we strongly urge you to act, as soon as possible, on final legislation to replace the defunct 30-year Treasury bond interest rate used for pension calculations with a long-term, high quality corporate bond rate. This interest rate issue is a problem that, if not corrected immediately, will continue to impede our nation's economic recovery and threaten the retirement security of millions of American workers.

The attached letter, which outlines the need for urgent legislative action on this critical issue, was sent to the House and Senate in early December. The original letter was signed by almost 200 companies and more than 30 additional companies (listed) have added their support since December 4.

As you can see, this is an issue that is of great concern to companies of all sizes in a broad range of industries. These are companies that voluntarily both provide retirement security for their employees and bear the financial risk for paying these benefits. At the same time, these employers face growing global and domestic competition from companies that do not offer similar retirement benefits and that do not bear the same liabilities.

Today, the need to "fix" the broken rate is even more urgent than ever. Note that we are not asking for "relief, rather we are asking Congress to restore a sound funding benchmark to replace the 30 year Treasury bond that was eliminated by the government. Without legislation to fix the broken rate, more and more plan sponsors are being forced to "freeze" or, in some cases, terminate, their pension plans.

We cannot stress enough the urgent need to address this issue. The impending inflated pension and premium obligations are forcing employers to hold back important resources from continued investment and job creation. The negative consequences of inaction for both the economy and retirement security grow with each day that passes.

Thank you in advance for your help. We look forward to working with you and your staff to ensure this important legislation is signed into law as soon as possible.

Sincerely,

American Benefits Council
Business Roundtable
Committee on Investment of Employee Benefit Assets
ERISA Industry Committee
Financial Executives International
National Association of Manufacturers
U.S. Chamber of Commerce

Attachment