

Date 2-3-2014

Education and the Workforce Committee on Multiemployer Pension System

U.S. House of Representatives, Washington, D.C. 20515

Dear Honorable Chairman Phil Roe and Committee Members:

I respectfully ask the Committee to consider making revisions in the following government policies that have weakened The Teamster Pension Fund. It is now in the deeply troubled status.

\*The Motor Carrier Act of 1980. This Act was in large part responsible for hundreds of trucking companies that were contributing to the Pension Fund to go bankrupt. Subsequently the 1980 ratio of active employees to inactive employees or retirees of (4 to 1) is almost exactly opposite that of today's ratio.

\*The Multiemployer Pension Plan Amendment of 1980. This Act added a withdrawal liability obligation. The problem here is that when a company left the Pension Plan due to bankruptcy their obligation cost was passed on to the "remaining" contributing employers. Due to the high number of bankruptcies this passed on cost has grown to be a prohibitive financial burden on those remaining. This obligation prevents a revival in the Pension Plan because it deters new employers from entering the Plan.

\*Since 1978, the Teamster Pension Fund has been operated under the supervision of the DOL and U.S. District Court. After they screened and approved them, Northern Trust and the Bank of New York Mellon were named to have exclusive control and management of the Teamster Pension Funds investments. The Pension Fund suffered a \$7.6 Billion loss in 2008 because of their exclusive investment choices. On the other hand, "Prudent" investments that lost value in 2008, both in real estate and the stock markets, have rebounded significantly since then.

I respectfully encourage the Committee Members to honor and preserve the anti-cutback rule in the Employee Retirement Income Security Act (ERISA) of 1974 and a similar provision in the Pension Protection Act of 2006.

Corrections not draconian cuts. Change management of the Funds investments. Require banks/investment houses that received Tarp funds to provide long term low interest loans to the Pension Fund until it is financially stable. Obligate Northern Trust and the Bank of New York Mellon to help as well. Provide oversight in the future. Any help from the government in combination with the above appeals that would strengthen and secure our Fund would be greatly appreciated and welcomed by Teamster Pension Fund active employees and retirees alike.

Respectfully, Leroy Goans

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