

December 8, 2008

TO THE MEMBERS OF THE UNITED STATES CONGRESS:

The current financial crisis not only impacts workers today, but also will have severe, short-term negative effects on the pension plans in which they participate, reducing benefits, undermining retirement security, and, if prompt action is not taken, causing significant job loss and impairing the national economic recovery. The current financial problems stem from a global financial meltdown and were not caused by companies that sponsor defined benefit pension plans or the pension plans they maintain. On behalf of the millions of employees to whom we provide retirement benefits, the undersigned companies and organizations urge you to consider legislation that would help companies navigate the current economic crisis while minimizing adverse impacts on the defined benefit pension plans they sponsor.

The drop in the value of pension plan assets coupled with the current credit crunch has placed defined benefit plan sponsors in an untenable position. No one who drafted the recently enacted defined benefit plan funding rules anticipated the worst financial crisis since the Great Depression and a once in a hundred years "credit tsunami." Yet, at a time when companies desperately need cash to keep their businesses afloat, the new funding rules will also require huge, countercyclical contributions to their pension plans. Consequently, many companies will divert cash needed for current job retention, job creation and needed business investments, and instead contribute the cash to their pension plans to fund long-term obligations due many years after the current market conditions return to normal. We do not believe that, in enacting the Pension Protection Act of 2006 ("PPA"), Congress intended companies to be forced to make this kind of decision. Unless the funding rules are modified, they will cause an increase in unemployment and slow economic recovery.

For example, a Florida company with four defined benefit plans faces an increase in required contributions of more than 2100%, from \$673,000 in 2008 to an estimated \$15,186,000 in 2009. The company's consultant states that in light of this increase, "this client, like many others, may be forced to freeze their plans and may have to eliminate jobs to afford those contributions." Another larger company has estimated that its 3-year contribution for 2008-2010 will increase from \$36 million to \$2.18 billion, an increase of almost 6000%.

We are in no way advocating an overhaul of the PPA funding changes. Rather, we urge Congress to consider making technical corrections to the PPA, that we believe implement Congressional intent, and adopting temporary provisions that deal with the financial crisis. Such provisions should include permitting full smoothing of unexpected losses, removing restrictions on asset smoothing, allowing sufficient time to transition to the PPA's 100% funded target, providing automatic IRS approval for certain funding elections to keep plans viable, clarifying end-of-year valuations, and permitting fixed interest rates to be used for Code section 415 limit purposes so as to avoid benefit reductions.

Employers who contribute to the more than 1500 multiemployer defined benefit plans (more than 90% of which employ 20 or fewer employees), are also severely affected by the

financial crisis. While these plans are subject to a separate set of funding rules, similar temporary relief designed to moderate the effects of the aggressive funding targets contained in the PPA is essential to avert devastating burdens and inevitable job losses arising from massive contribution increases and unavoidable benefit reductions that will be required to comply with those rules.

The undersigned organizations are extremely concerned about the viability of defined benefit pension plans during this economic recovery. Please feel free to call on any of us to assist in enacting economic recovery legislation to avoid unnecessary job loss, while securing sound long-term pension plan funding.

Sincerely,

3M

A. H. Belo Corporation

A. O. Smith Corporation

AbitibiBowater Inc.

AEGON USA LLC

AF&PA

AGL Resources

AK Steel

Alcoa Inc.

Alliant Energy Corporation

Allegheny Energy

Allegheny Technologies Incorporated

ALLETE

Alliance for Children and Families

Aluminum Association

Ameren Corporation

America's Health Insurance Plans

American Administration Services Co.

American Architectural Manufacturers

Association

American Benefits Council

American Chemistry Council

American Civil Liberties Union

American Composites Manufacturers

Association

American Dental Association

American Electric Power

American Forest & Paper Association

American Foundry Society

American Gas Association

American Hospital Association

American Institute of Certified Public

Accountants

American Public Power Association

American Society of Association Executives

American Woodmark Corporation

AMT - The Association For Manufacturing
Technology

Aon Corp.

Arch Chemicals, Inc

Associated Industries of Florida

ASPPA College of Pension Actuaries

Arcelor Mittal

Arkansas State Chamber of Commerce

Associated Benefits Corporation

Associated Food Stores, Inc. & Subsidiary
Companies

Associated Industries of Arkansas

Associated Industries of Massachusetts

Associated Milk Producers, Inc.

Associated Wholesale Grocers, Inc.

Association for Financial Professionals

Association of American Railroads

Atlanta Gas Light

Atmos Energy

Avaya Inc.

Avista Corporation

Badger Highways Co., Inc.

Ball Corporation

BBDO Detroit

Bechtel Construction Company

Belo Corp.

Bendix Commercial Vehicle Systems LLC

Birds Eye Foods

Bison Gear & Engineering Corp.

Black Hills Corporation

Blue Seal Feeds, Inc.
Boilermakers National Funds
Boise Inc.
BP America Inc.
Brunswick Corporation
Bryan Pendleton Swats & McAllister, LLC
Buck Consultants, An ACS Company
Building and Construction Trades
 Department, AFL-CIO
Business Roundtable
California Manufacturers & Technology
 Association
Campbell Soup Company
Caraustar
Cargill, Incorporated
Case New Holland Inc.
CBS Corporation
Celanese Corporation
CF Industries, Inc.
CH Energy Group Inc.
Chattanooga Gas Company
Chemtura
Chrysler LLC
CIGNA Corporation
Cincinnati Children's Hospital Medical
Center
CMS Energy
Colorcon, Inc.
Committee on Investment of Employee
 Benefit Assets
Commonwealth Public Broadcasting
 Corporation
Cooper Industries
ConAgra Foods, Inc.
Con-way, Inc.
ConAgra Foods, Inc.
Connecticut Business and Industry
 Association
CONSOL Energy
Consolidated Edison, Inc.
Constellation Energy
Cowden Associates, Inc.
Cummins Inc.
CUNA Mutual Group
Danisco USA Inc.
Darden Restaurants Inc.

Dean Foods Company
Deere & Company
Delaware Manufacturing Association
Delaware State Chamber of Commerce
Delta Oil Company
Deloitte & Touche LLP
De Nora Tech, Inc.
Deseret Mutual
Diversified Investment Advisors
DTE Energy
Duchossois Industries, Inc.
Duke Energy
DuPont
Duquesne Light Company
Eastman Chemical Company
Eastman Kodak Company
Eaton Corporation
Edison Electric Institute
Edison International
Eickhoff's ShopRite Supermarkets
Eisenberg Associates, Ltd.
El Paso Corporation
Electro-Motive Diesel, Inc.
Eli Lilly and Company
Elizabethtown Gas
Elkton Gas Company
EMBARQ Corporation
Employers Association Inc.
Employers Group
Entergy Corporation
ERISA Industry Committee
Eskimo Pie Corporation
Everett Smith Group, Ltd.
Evonik Degussa Corporation
Evraz Claymont Steel
Exelon Corporation
Fabri-Kal Corporation
Federal Signal
Finch Paper LLC
FirstEnergy Corporation
Florida City Gas
FMC Corporation
Food Marketing Institute
Ford Motor Company
Fortune Brands
Foundation Coal

Fox Entertainment Group, Inc.
Frontier Communications
Fry's Food Stores
FSG Pension Services, Inc.
General Devices Co., Inc.
General Electric Company
General Growth Properties, Inc.
Georgia Industry Association
Georgia Mining Association
GlaxoSmithKline
Goodrich Corporation
Grain Processing Corporation
Great Atlantic and Pacific Tea Company
Greater New York Hospital Association
Greyhound
Hamilton Beach Brands, Inc.
Harry & David
Hawaiian Electric Company, Inc.
Hewitt Associates, Inc.
Hill Fastener Corporation
Hillside Family of Agencies
Hollingsworth & Vose
Honeywell International, Inc.
Honigman Miller Schwartz and Cohn LLP
Hooker & Holcombe Inc.
Hormel Foods
Hospital & Healthsystem Association of
 Pennsylvania
HPnorthwest
HR Policy Association
IBEW Local 505 - NECA Pension Plan,
 Mobile, AL
Idaho Power
Illinois Manufacturers Association
Independent Bakers Association
Indiana Chamber of Commerce
Indiana Manufacturers Association
Indianapolis Power and Light Company
Industrial Fasteners Institute
Infineon Technologies North America Corp.
Information Technology Association of
 America
Ingram Industries Inc.
Intelsat Corporation

International Brotherhood of Boilermakers,
 Iron Ship Builders, Blacksmiths,
 Forgers and Helpers
International Brotherhood of Electrical
 Workers
International Brotherhood of Teamsters
International Paper Company
International Sleep Products Association
ITT Corporation
Jack in the Box Inc.
JELD-WEN, inc.
Joy Global
J.R. Simplot Company
Kansas City Power & Light
Keller Technology Corporation
Kendal Corporation
Kentucky Association of Manufacturers
Kimberly-Clark Corporation
King Kullen Grocery Company, Inc.
Kraft
Lennox International, Inc.
Lincoln Mold & Die
Local 903 IBEW Pension Plan, Gulfport,
 MS
Lonza America Inc.
Lord Corporation
LyondellBasell Industries
Mannington Mills, Inc.
Masco Corporation
MassMutual Financial Group
MC-UA Local 119 Pension Plan, Mobile,
 AL
McGuireWoods LLP
McIlhenny Company
MD Helicopters, Inc.
Mechanical Contractors Association of
 America
Meridian Health
MetLife
Michelin North America, Inc.
Michigan Manufacturers Association
MillerCoors
Milliman
Minnesota Power
Mississippi Manufacturers Association
Monongalia Health System

Monsanto
MOOG Inc.
Motor & Equipment Manufacturers
Association
Motorola Inc.
Muscatine Foods Corp.
Mutual Assurance Society of Virginia
Mutual of Omaha Insurance Company
NACCO Industries, Inc.
NACCO Materials Handling Group, Inc.
National Association of Boilermaker
Contractors
National Association of Chain Drug Stores
National Association of Insurance and
Financial Advisors
National Association of Manufacturers
National Coordinating Committee for
Multiemployer Plans
National Council of Chain Restaurants
National Electrical Contractors Association
National Federation of Independent
Business
National Fuel Gas Company
National Grid
National Gypsum
National Life Group
National Marine Manufacturers Association
National Mining Association
National Retail Federation
National Shooting Sports Foundation, Inc.
Navistar
NCR Corporation
Nebraska Chamber of Commerce &
Industry
New Jersey Business & Industry
Association
New York University
NewellRubbermaid
Niles Lankford Group, Inc.
NiSource Inc.
NMB (USA) Inc.
Norcal Waste Systems, Inc.
Norfolk Southern Corporation
Nortel
North American Coal

Northeast Pennsylvania Manufacturers and
Employers Association
Northeast Utilities
Northrop Grumman Corporation
NorthShore-LIJ Health System
Northwest Permanente, PC
NorthWestern Energy
Novelis
NSTAR
Nuclear Energy Institute
OfficeMax Incorporated
OGE Energy Corp.
Ogletree Deakins
Ohio Chamber of Commerce
Ohio Transmission Corporation
Olan Mills, Inc.
Old Point Financial Corporation
ONEOK, Inc.
Otter Tail Corporation
Owens Corning
P.H. Glatfelter Company
Pacific Life
Pactiv Corporation
Paul, Hastings, Janofsky & Walker LLP
Peabody Energy
Peerless Machine & Tool Corp
Pepco Holdings, Inc
Pfizer Inc.
PG&E Corporation
Pietzsch, Bonnett & Womack, PA
Pinnacle West Capital Corp.
Pitney Bowes Inc.
PNM Resources
Portland General Electric
Poyner Spruill LLP
PPG Industries, Inc.
Praxair, Inc.
Precision Foods, Inc.
Prestolite Electric Inc.
Principal Financial Group
Printing Industries of America
Progress Energy
Prudential Financial
Public Service Enterprise Group, Inc.
Pulaski Furniture Corporation
Punter Southall LLC

QBE the Americas
Questar Corporation
Qwest Communications International
Raley's
Rayonier Inc.
Replacement Parts, Inc.
Retail Brand Alliance, Inc.
Retail Industry Leaders Association
Reynolds American Inc.
Reynolds Packaging Group
RGC Resources, Inc.
RJReynolds
Robert Bosch LLC
Rockwell Automation
Rockwell Collins
Russell Investments
Safeway Inc.
Saint Barnabas Health Care System
Saint-Gobain Corporation
San Diego Zoo
Sanders Welch, LLC
Santa Barbara Pension Consultants, Inc.
Save Mart Supermarkets
Schnuck Markets, Inc.
SECURA Insurance
Seyfarth Shaw LLP
Sharon Regional Health System
Sheet Metal Workers International
Association
Sheet Metal Workers Local 441
Supplemental Pension Plan, Mobile, AL
Sheet Metal and Air Conditioning
Contractors' National Association
Smurfit Stone Container Corporation
Sony Electronics, Inc.
South Carolina Chamber of Commerce
Southeast Actuarial Services, LLC
Southeastern Ohio Regional Medical Center
Southern Company
Southern Minnesota Beet Sugar Cooperative
Southwest Gas Corporation
Spartan Stores, Inc.
Sporting Arms and Ammunition
Manufacturers' Institute, Inc.
State Street Corporation
Summit Financial Corporation

Textron Inc.
The American College
The Associated General Contractors of
America
The Association of Union Constructors
The Boeing Company
The Dow Chemical Company
The Empire District Electric Company
The Epler Company
The E.W. Scripps Company
The Goodyear Tire & Rubber Company
The Kroger Co.
The Laclede Group, Inc.
The Segal Company
The Sherwin-Williams Company
The Society of the Plastics Industry
The Stanley Works
The Timken Company
Thomson Inc.
Towers Perrin
Transamerica Retirement Services
Trelleborg AB
Triangle Package Machinery Company
UniSource Energy Corporation
United Association of Journeymen and
Apprentices of the Plumbing and
Pipefitting Industry of the United
States and Canada
United Health Services
Unity Health Systems
United Illuminating Company
United Parcel Service, Inc.
United Plan Administrators, Inc.
U.S. Chamber of Commerce
United States Steel Corporation
United States Telecom Association
United Technologies Corporation
USG Corporation
Usibelli Coal
USS-Posco Industries
Utah Manufacturers Association
Vectren Corporation
Venable LLP
Veolia Transportation Phoenix
Verizon
Virginia Education Association

Virginia Manufacturers Association
Virginia Natural Gas
Vought Aircraft
Wakefern Food Corporation
Watson Wyatt Worldwide
Westar Energy
Westinghouse Electric Company
Whirlpool Corporation
White Castle System, Inc.
William F. Leach Associates, Inc.
Windstream Communications

Wolverine World Wide, Inc.
Wood Moulding & Millwork Producers
Association
Woods Hole Oceanographic Institution
WorldatWork
W.R. Grace
Xcel Energy, Inc.
Xerox Corporation
YKK Corporation
YRC Worldwide