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February 11, 2021

The Honorable Richard E. Neal
Chairman
Committee on Ways & Means
United States House of Representatives
Washington, D.C. 20515

The Honorable Kevin Brady
Ranking Member
Committee on Ways & Means
United States House of Representatives
Washington, D.C. 20515

Dear Chairman Neal and Ranking Member Brady:

As Trustees of the Central States Pension Fund, we are writing in strong support of the Butch Lewis Emergency Pension Plan Relief Act of 2021. This bill provides a solution to the worsening multiemployer pension crisis that threatens the retirement security of 1.3 million Americans, including 360,000 of our Fund's participants and their families.

This national crisis has been building for years, but the devastating impact of COVID-19 has made matters much worse. As you are aware, the economic downturn and necessary government-mandated shutdowns have devastated businesses and caused millions of layoffs and furloughs. For multiemployer pension funds in the hardest-hit industries, employer contributions have been greatly reduced. Unfortunately, there is still no end in sight.

At the outset of the pandemic, the government deemed many of our workers to be essential. We agree. Our participants are the truckers, delivery drivers and warehouse workers who have been risking their health and lives to keep our economy moving through this pandemic. They keep grocery store shelves full. They deliver medicine and other important goods to Americans who are rightfully staying home to stay safe. And they play a critical role in sustaining the military supply chain. We ask our government leaders to not turn their backs on these front-line heroes by allowing their retirement security to evaporate.

Some have cynically referred to solving this growing multiemployer pension crisis as a "bailout," but nothing could be further from the truth. As evidenced by two reports released by the Government Accountability Office in 2018, it is abundantly clear that neither Central States nor our participants caused the crisis facing our Fund. The problems plaguing our Fund can be traced back to the 1980 federal deregulation of the trucking industry, which ultimately caused a loss of more than 10,000 of our employers and about 400,000 of our active workers. Our Fund, like many others, was also hit hard by the 2001 dot-com bubble burst and the 2008 financial crisis. We tried to right the ship ourselves by using the Multiemployer Pension Reform Act of 2014 to prevent insolvency, but the Treasury Department rejected our application, leaving us no alternative beyond insolvency or federal relief.

Congress has now spent 10 years exploring solutions. As we have already seen, the longer we wait, the more difficult and expensive a solution will be. If a legislative solution is not included in the COVID-19 relief legislation now being considered by Congress, the Central States Pension Fund will become fully insolvent by 2026, resulting in immediate and drastic benefit cuts for our workers

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and retirees. To make matters worse, the Pension Benefit Guaranty Corporation will itself run out of money in 2026. When that happens, all 360,000 of our participants will have their pension benefits reduced to pennies on the dollar—a fate that will be shared by the nearly one million other Americans enrolled in the other failing multiemployer funds across the country.

If Congress fails to take action now, the ripple effect will be devastating to our national economy, as retirees are forced en masse into government safety net programs, costing an estimated \$138 billion over 10 years. And, after factoring in the loss of tax revenue from pension income, the estimated 10-year cost to the U.S. government of not acting now is projected to be between \$170 billion and \$239 billion—which will have a dramatic negative impact on the federal budget. Central States alone pays \$2.8 billion in pension benefits every year, which generates \$200 million in federal taxes. If our Fund becomes insolvent, the total value of lost pension benefits comes to nearly \$53 billion.

Thank you for the attention you have given to this critical issue and for the opportunity to share our views. If Congress values the sacrifice and heroism of these essential workers, then we respectfully, but passionately urge you to protect their retirement security by passing the Butch Lewis Emergency Pension Plan Relief Act of 2021.

Sincerely,



Charles A. Whobrey



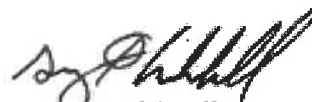
George J. Westley



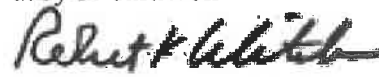
Gary Dunham



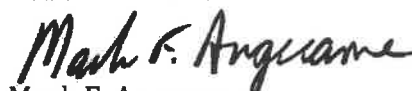
Trevor Lawrence



Gary F. Caldwell



Robert Whitaker



Mark F. Angerame

cc: The Honorable Nancy Pelosi
The Honorable Charles E. Schumer
The Honorable Mitch McConnell
The Honorable Kevin McCarthy
The Honorable Ron Wyden
The Honorable Patty Murray
The Honorable Robert C. “Bobby” Scott
The Honorable Mike Crapo
The Honorable Richard Burr
The Honorable Virginia Foxx