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December 11, 2014

The Honorable John Boehner  
Speaker of the House

The Honorable Nancy Pelosi  
U.S. House Minority Leader

United States House of Representatives  
Washington, DC 20515

Dear Speaker Boehner and Leader Pelosi:

ArcBest Corporation, which operates through ABF Freight System, Inc., has more than 10,000 employees and provides interstate and intrastate direct delivery service to more than 44,000 communities through 247 service centers in all 50 states, Canada, Puerto Rico and Mexico. It contributes to 26 multiemployer pension plans to provide retirement security for its employees and retirees.

We urge you to support the bipartisan multiemployer plan reform legislation offered by Chairman John Kline and Ranking Member George Miller of the House Committee on Education and the Workforce, which was included in the Consolidated and Further Continuing Appropriations Act of 2015, H.R. 83. This bill is the culmination of years of hard work by the plans, the contributing companies and the unions that represent the covered employees.

Many multiemployer pension plans, including some of the largest plans, are in serious financial straits, even though they have taken all actions permitted under current law. As outlined by the Pension Benefit Guaranty Corporation (PBGC) in recent reports, many of these plans are expected to become insolvent in the foreseeable future.

When a plan becomes insolvent, the PBGC effectively assumes responsibility for all accrued benefits, up to the PBGC guaranteed benefit limit. Due to expected insolvencies, including for several large plans, the PBGC's most recent annual report states that the PBGC's multiemployer program has a deficit of \$42.4 billion. The insolvency of even one very large multiemployer plan will result in the PBGC's multiemployer program quickly running out of money. In addition, the deteriorating financial condition of many multiemployer pension plans results in higher contribution obligations for contributing employers, leading to bankruptcies and the loss of thousands of jobs.

In an attempt to avert this crisis, plans, labor unions, employers and other interested parties formed a coalition that developed the "Solutions Not Bailouts" proposal to save the multiemployer plan system. In reflecting the concepts in the Solutions Not Bailouts report, the Kline-Miller bill deals as best as possible with a substantively and politically

difficult situation with the objective of protecting workers, retirees, plans, employers and taxpayers. Without this legislation, many multiemployer plans will become insolvent, thereby shifting their obligations to the PBGC, which cannot afford to meet its obligations. The longer we delay a solution, the more difficult it will be for these plans to avoid insolvency.

If Congress enacts the bipartisan Kline-Miller legislation, it will allow critically underfunded multiemployer pension plans to engage in self-help to save themselves from insolvency, at no cost to taxpayers. It will protect plan participants from larger benefit cuts in the future; avert large contribution increases that will result in employer bankruptcies; prevent the loss of thousands of jobs; and greatly minimize inevitable calls for a PBGC bailout.

For these reasons, we strongly encourage your support of the Kline-Miller bill, which is critical to the retirement security of millions of Americans and the survival of the multiemployer plan system.

Sincerely,

A handwritten signature in cursive script, appearing to read "Judy R. McReynolds".

Judy R. McReynolds