

**UNITED STATES DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE**

**PUBLIC HEARING ON PROPOSED REGULATIONS**

**[REG-102648-15]**

**"SUSPENSION OF BENEFITS UNDER THE MULTIEMPLOYER  
PENSION REFORM ACT OF 2014"**

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## PROCEEDINGS

(9:00 a.m.)

MR. FEINBERG: Good morning, everybody, and welcome. I thank you for being here today. We are starting right on time for these public hearings, because we must end the hearings by 5 o'clock today, going straight through, except for a lunch break from 12:15 till 1:30. From 12:15 to 1:30. There's a food court. There are places around here where you can get a bite to eat if you want. We will go straight till 12:15; we will reconvene at 1:30.

Now, there are approximately 21 people who signed up early, submitted documentation, and asked to be heard. We will hear from these 21 individuals, in order, for no more than 10 minutes each. Now they've already submitted their position, but if they want to summarize what they've said in the written document that we received, they may do so for up to 10 minutes. Green light right here, Speaker, when you begin; with three minutes to go yellow light, and then we give you the hook with the red light after 10 minutes. So, you must make sure -- there are a lot of people that want to be heard -- that you stay within your allotted time.

Now, I'm sure that there are people who would also like to be heard that didn't sign up, that's all right. We will give each of you, time permitting, up to 5 minutes,

after we go through the 21, to hear what you have to say, if you want. And you'll be able to sign up, probably after lunch, but maybe before. We'll see. But we'll try and accommodate everybody who might want to be heard.

These hearings are very important; we have draft regulations that have been put out for public comment -- that's really the purpose of today: To receive public comment from interested retirees or others who will be impacted by this law and these regulations.

Now, I'm Ken Feinberg. I know some of you from previous stints at Treasury, or 9/11, or other, Boston Marathon, other assignments that I've implemented. I've been appointed by the Secretary of the Treasury to deal with this problem. I'm the point man. I'm the guy. No one should misunderstand my role as "special master" appointed by Treasury. I am the point man who ultimately is going to have to consider what is said today and what is submitted to this distinguished group.

Now the panel is very distinguished. We've got representatives here from Treasury, the IRS, the Labor Department, and the Pension Benefit Guaranty Corporation. You are going to be discussing with the right people that have to implement the final regulations, so you are dealing with the right people here today.

Now, I want to mention one item at the outset. And it's a personal view based on the submissions that we have already received from some of you. Please remember we are implementing a law passed by Congress. We cannot change that law; Congress passed it; the president signed it. When people express outrage at this potential suspension of benefits, please remember that these regulations are not made up out of whole cloth.

Congress passed a very specific, detailed bill of legislation. We are obligated by law to implement that law; we have no choice. I say this because although we are very, and I personally am extremely, sympathetic to much of what we have already read in the submissions and what we might hear today, the real purpose of this hearing is not to vent about life's unfairness or what Congress has done.

Some of us may join you in venting. We have to implement the law. We are a country of laws, and our obligation here today is first and foremost what do you think of the regulations? Not, not what do you think of the law? I have a fairly good understanding what most of you think about the law; I can't deal with that. I wish I could. I wish I could.

What we want to do is try and minimize the impact of the law. That's what we want to do. And these regulations are designed to set up a process where, if some pension plan voluntarily, voluntarily submits a plan to Treasury, we will review the plan and comment on it. That's our role. We don't demand that anybody submit a plan; we don't require that anybody submit a plan, but if they decide to submit a plan, under the law, we'll take a look at it. We'll comment on it, and we'll make a finding consistent with the law that Congress enacted.

Now I want to assure people here today I am available; we are available after today to hear your comments, to get your suggestions. This process, I assure you, is very transparent, very open. We've heard from a lot of people, but there is nobody we want to hear from more than retirees. Nobody we want to hear more than from retirees.

This is not some technical game here; people are adversely, or might be adversely affected by this law, and we want to hear from them, their voices. So I just want to assure everybody I am very, we are very, receptive to what you are going to say today, what you are going to say next week, what you are going to write us next month. We will listen. We will listen. We will do what we can, but keep in mind there is an overhanging law, the Kline-Miller Multi-Employer Pension Reform Act of 2014. We have to deal with that. We have no choice; it's the law of the land.

But as part of an open and fair process, we are ready to hear what people have to say. We know that many of you have strong feelings about the law that Congress passed, fine. I'm sure we understand that, and receiving your input will be extremely important. OK.

With that let me, again, remind everybody one more time: We will first call on in order the 21 people who asked to be heard, signed up weeks ago, and submitted documentation for us to review. They go first, up to 10 minutes each. And then, by the way, if anybody wants to submit something after today in writing. "Mr. Feinberg, we heard this hearing, we were there, we want to add some additional comments. Either the 21 or anybody else, fine, you are welcome to do so. We will consider everything that is submitted to us.

After the 21 people at 10 minutes each finish, I have the hook. Lunch, 12:15 to 1:30, and then we will finish the 21. Anybody else who wants to sign up, five minutes each, fine with us, as long as we finish by 5 o'clock, I think we get thrown out of here at 5 o'clock. We are open.

We won't have too many questions. We are really interested in receiving information from people who are here, but I assure you we are listening and we are very eager to try and help. That is all I can say. So, we will begin with our first designated witness --

MS. JUDSON: Excuse me. We also just want to state that this is a hearing on Proposed Regulations, REG-102648-15, Suspension of Benefits under the Multiemployer Pension Reform Act of 2014, and we are also going have everyone on the panel just introduce themselves. My name is Victoria Judson. I work for the IRS as Associate Chief Counsel, Tax Exempt & Government Entities.

Before I pass on the mic to Linda Marshall, to my left, I also want to make a few other housekeeping points. In terms of the timer, if people on the panel have questions, and they may have some questions about the written comments that were submitted, should they ask a question during someone's time this wonderful

gizmo I have here allows us to stop the time so it doesn't count against people's 10 minutes.

Everyone gets their full 10 minutes. Often, people just hold any questions they may have till the end. As Ken Feinberg said, we are really here more to listen to you, so we don't anticipate a lot of questions, but sometimes things were unclear in written comments we received, or we have a follow-up question based on what you've told us.

And now I will turn to the person to my left, Linda Marshall.

MS. MARSHALL: I'm Linda Marshall; I'm also with the Office of the Associate Chief Counsel, Tax-Exempt and Government Entities at the IRS.

MR. SHELTON: Joe Shelton with Pension Benefit Guaranty Corporation, Office of General Counsel.

MS. DUKE: Hilary Duke, Department of Labor.

MR. WELLER: Harlan Weller, Office of Tax Policy, Department of Treasury.

MR. FEINBERG: OK. Mr. Davey Grubbs of the North Carolina Committee to Protect Pensions. Mr. Grubbs?

(Applause)

MR. GRUBBS: Good morning. Thank you for being here and hearing our concerns over the implementation of the 2014 MPRA. My name is Davey Grubbs, and I'm honored to speak on behalf of the millions who may be devastated by this horrible law. You have read many comments, and we will hear from people telling you how the implementation of the MPRA will destroy their lives. How a pension reduction of as much as 65 percent will negatively affect their ability to survive and most likely force many onto public assistance.

It is estimated as many as 10 million hardworking, honest people could be devastated by the implementation of this horrible law.

I could go on and on about the cost to a community and the government, but I trust you can see that on your own. Just imagine your own life with a 65 percent pay reduction and no means to make up any of the loss. What would that do to your family?

We all know how this law was passed. We all know that a congressional representative chose to slip it in as an amendment to the must-pass omnibus spending bill. They did not have the courage to put this bill on the floor for open debate and a vote. If that had been done, then our representatives could not hide behind (inaudible). They could not say, "I am not aware of this law, and I would not have supported such a travesty on its own." Regardless of how it was done, it's done.

The question I want to pose to you is: Why? Let me give you a new perspective as to why my elected officials from the government and the union would do such a thing. After the terrorist attacks in 2001, many large companies took advantage of the bankruptcy laws in this country. Companies dumped their

obligation for funding pensions, owed to the Pension Benefit Guaranty Corporation, or the PBGC, while hiding behind the court to avoid paying their bills.

This action has put a strain on the PBGC to meet adequate funding levels. In 2006 the Pension Protection Act, or PPA was signed into law. The purpose of this law was to make it easier for companies to overcome poor investment returns by amortizing these losses over a 10-year period, therefore reducing the chances of more plans being dumped onto the PBGC.

This worked well for single employer plans, but Congress saw things differently for multiple-employer plans. Instead of making it easier for the union companies to maintain the funding levels, they did just the opposite. Union companies are being forced by law to pay more and more each year. So much more in fact that the burden placed upon them has forced many companies into bankruptcy where they, too, can hide behind the court to avoid paying their pension commitments.

The 2006 PPA forces the remaining companies to assume the liabilities of vested employees. Now, we have an underfunded PBGC; we have union companies struggling to survive due to the burdens placed onto them by the PPA. We have unions that cannot organize. they can't organize people into these plans due to being forced into assuming the underfunded liabilities for such plans.

As a result, the unions presented Congress with a fix. It was called solutions not bailouts. It was "Solutions not Bailouts" that was used to write the MPRA of 2014. To many people this would be the perfect fix; it takes almost all of the responsibility away from our government for funding the PBGC, to a level that would satisfy an insurance payout that we have paid premiums into since its inception.

Without adequate funding our government would be forced to break a commitment to the people, which is, if you pay your premiums into the PBGC, then we will ensure your pensions against default. Instead, the MPRA doubled the premiums and breaks another promise. This law erases all of our protections under ERISA. ERISA was signed into law in 1974 and states that all pensions earned are protected and cannot be taken away, as long as there is money and the plan to pay your benefits. So much for trust or faith in our government.

The problem's solved for the government. Just give the plan trustees the right to steal what people have worked and sacrificed their entire lives for. Who are these plan trustees? Pension plan trustees are elected union officials and executives or lawyers representing the active employers.

These are the people that the MPRA gives total control over these pending cuts. The law does require that the retirees have a representative to advocate for them, but the advocate is appointed by the same trustees. Talk about the fox guarding the henhouse. These trustees have defined anyone who earned time through a company which no longer pays into the plan as orphans. The term

"orphan" is defined by the law at the urging of these trustees through the Solutions not Bailouts proposal, solely for the purpose of being able to legally dump the underfunding liabilities of a plan onto the backs of people who cannot vote in union elections, or hurt a company by leaving due to benefit cuts.

Now Central States, the largest and first plan to take action, is requesting the right to single out people who were vested to draw a pension but not yet old enough. As with these so-called orphans, they want to cut these early vestees at a greater rate than the active their reason being that these people can find another job and earn another pension.

Let me tell you, I am both. I have worked 31 years with a company that went out of business on December 27, 2013. I did secure another job with ABF Freight, but cannot continue due to a third and crippling back surgery. I am 52 years old. Over the last 32 years I have paid, through my employers, more than \$300,000 into Central States Pension Fund. That money has been invested and will continue to be invested for many more years before I can draw it down.

This is an investors dream; how can I be the problem? The truth is none of us are the problem; we are the scapegoats. You see, we bring nothing to the companies who were still in the plan. We bring nothing to the union because we no longer have the ability to vote a union officer into or out office. Therefore, we are considered disposable, sacrificed for the self-gain of others.

By balancing the books on the backs of these people, the companies get to attract and keep the better employees. They will lower the plan cost by eliminating penalties, reducing future increases, and erase all their underfunding liabilities. Their liabilities will be placed onto our shoulders.

The trustees on the union side can save their own extremely well-paying jobs by limiting any pension reductions on active people -- that's the ones who vote. This horrible law allows them to give assets back to the active, without giving back to the orphans or early vestees.

The MPRA does state that they cannot reinstate benefits to the active without doing so for the retirees but this is only a play on words. All of the orphans will no longer be considered retirees, and will not benefit from investment returns made on the funds they built. The \$18 billion currently invested by Central States was put there by all employees, of all contributing employers, and all returns on these investments should be shared equally.

The union leadership and company attorneys easily convinced Congress to accept the Solutions not Bailouts proposal. It was discussed with only a small handful of elected officials; all they could say is, "it takes almost all the liability away from PBGC." If any of them cared about the people being injured here, then those representatives were convinced that the unions would represent us the people who sacrifice so much to earn these pensions. That assumption was wrong.

We are being sacrificed for the self-gain of the very people who were supposed to help us. We have no representation here, and it is by design. Please

see through this deception and slow down the process. Central States is leading the charge.

On or about July 1, Central States sent you a letter requesting that they be allowed to make their detrimental cuts three months early. The letter goes on to state how they could reduce the cuts for \$40,000 by as much as 10 percent. How is this possible? The Central States fund has grown since 2008 and will continue to grow with good investment returns.

I am pleading with you on behalf of millions of hardworking, honest people to see this law for what it is. The MPRA has written for the purpose of benefitting the unions and participating employers. It is not written to protect the interest of the people who built these funds.

If Congress can't find the money to help hardworking Americans keep what they have earned, or provide funding as they did for many large and wealthy corporations, then we are willing to accept what is necessary to secure the long-term survival of our funds. What we ask is that every vested person should be cut at the same rate and age restrictions. Once this is done, then the funds will have breathing room for possible bad returns which should grow rapidly.

When fully funded, then the pension's (inaudible) vestee should be increased accordingly. We have all worked hard and paid into these funds. We have no fault in making these companies go out of business and should not be penalized again. The luck of being employed by a company that has managed to survive should not be rewarded on the backs of the many who have not been so lucky.

If the trustees are allowed to petition the orphans and the early vestees are often cut down the maximum amounts allowed by law, then a new employee working for a contributing employer would earn a larger pension in eight years than mine will be worth with 31 years of dedicated service. That employee would reap the benefits of all investment returns on the huge principals that were put there by the so-called orphans and early vestees.

This is wrong. Please slow down the process. Force all plans to allow their participants an opportunity to pick their own representative; force all plans to open their books for an unaffiliated audit. Force a fair and transparent vote and give us back our constitutional right to sue if someone injures us.

If cuts are required and approved by a vote, then spread the pain evenly across the entire group, and when the moneys return, give it back equally to all who have earned it. Stop this horrible injustice now. Thank you again.

(Applause)

MS. JUDSON: Wait one -- Wait. Mr. Grubbs, Mr. Grubbs, I had one question.

MR. GRUBBS: Yes, ma'am.

MS. JUDSON: Do you have any suggestions cognizant of the need to have the retiree representative active early in the process in order to have adequate input? Do you have any other suggestions on how that person should be selected.

MR. GRUBBS: I think there could be a better way than allowing the trustees who, I believe, stand to benefit by making the cuts on the shoulders of people who are out. Like I say, we can't vote for union trustees; they are all union elected offices, they are appointed to be a trustee. So if they are known for making these cuts, they are going to lose their office, they are going to lose well-compensated jobs. The company trustees are representing their companies. I bring nothing to that company so --

MS. JUDSON: Yes. But I think we heard very well, and people have articulately mentioned what the challenges and problems are, so what we are asking is, if you have other ideas, and obviously you were just asked this question, right, but if later, people have ideas and suggestions for different ways to select, or to improve communication, we welcome receiving those, and you can certainly provide them after the hearing.

MR. GRUBBS: Well, I think they had no problems sending me a letter telling me who my representative was; I would have been appreciative of a letter telling me that they were holding hearings, and that anyone who is interested in representing the retirees could come. We could discuss what's going on and we could vote our own representatives in.

MS. JUDSON: OK. Thank you. (Applause)

MR. FEINBERG: Our next witness, for up to 10 minutes. Alex Adams. Is Mr. Adams here? Mr. Adams?

MR. ADAMS: Good morning. My name is Alex Adams, I am a past President of the Local 407, out of Cleveland, Ohio, and I am a Councilman in the city of Maple Heights serving my last term due to my illness. I have 37 years invested in Central States Pension, and I have worked on the dock in the city, the yard over the road, and as a casual during layoff times to ensure payment into my health and welfare, and my pension, like all of us.

I, like, many other teamsters, chased the cart before the horse, always thinking we had the best health, welfare, and pension in the country, and we would be protected by a 1974 ERISA law, the anti-cutback provision which protected us. We thought our pensions were guaranteed -- and how wrong were we? This is devastating to so many. We earned our pensions by pay cuts, vacations, INCA sessions into to our work rule to pay into our pension funds that are now being cut. When I went to retire in 2004, my wife and I went over the finances and we thought we could live comfortably on my pension and Social Security. I am an Army veteran; I take 40 percent disability, service-connected, which brings an additional \$550 into the household. We have two cars; both cars are 2001 with over 100,000 miles on it. I am considering buying a new car, we were going -- but now we are going to have to downsize to the one car to save on the insurance premiums. I have already cut newspaper, cable. They will cut the landline in January, my telephone. All luxuries would be gone. We thought this stage of our lives would be comfortable, but this is devastating, and not just for me, but to so many others out there. The men and women who banked on the American dream, our government has let us down by this Multiple Pension Act of

2014. Some people may think we can get a job to supplement this devastating loss of income, but some of us are unemployable. I am 73 years old with speech issues and -- I'll show you -- with a feeding tube. That's how I eat.

Then in consideration for some of you, there's the reemployment rule that we've been hollering about for years. That has to be looked into. I don't even think I could be a greeter at Wal-Mart. In 2005 I was diagnosed with throat and tonsil cancer. I have lost my thyroid, sense of smell, taste, no saliva. I lost 40 percent of my hearing and will always eat with my feeding tube. I just recently was hospitalized with pneumonia for 8 days. I am thankful that I can speak to you today. My wife has breast cancer with three surgeries and chemo since January. She is awaiting radiation and is fearful of any other surgeries in 2016 due to the devastating cuts to our pension. Our medical bills are very high with copays, deductibles, and medicines. It seems never ending.

We are surviving this rough patch, but when these devastating cuts occur, we will be in terrible financial distress. The phone calls I have been receiving from retirees, Local 407, 24, the stories they had to tell are a lot worse than what I'm telling you. They have cancer, loss of legs, loss of arms, prostate cancer, and a lot of them have passed away due to cancer and other diseases, younger than me. How many we know that never even made a first pension check. When you go back and look in the minds of your fellow workers we used to work with -- Joe, Bob, Bill -- they passed away. Bill's son used to work there, but he passed away early. And the mortgage, it bothers you. So there are many, many people in worse shape than me. Some have high mortgages or they have kids in college as well as health issues.

In 2013 Teamsters for a Democratic Union informed us of the Congressional hearings in Washington. A few of us attended, but mostly they were conducted behind closed doors. The plan administrators and many company owners had a chance to present their case. We had AARP to present on our behalf to fix the funds, but they were rejected. They would not work. We had no chance to speak on our own behalf. I doubt if Congress ever read the 161-page booklet provided on the Multiple Pension Act of 2014. With this being tacked onto the arms bill with other issues and the threat of a government shutdown, they voted yes.

MR. FEINBERG: One minute, Mr. Adams.

MR. ADAMS: OK, thank you. On this very important issue, it should have been a standalone vote. We had congressmen and senators that I bet never even read the bill. They just said that they weren't going to shut down the government. President Obama voted to cut our pensions, so we didn't have a government shutdown. That's why I wish we would have another standalone vote. So I'm asking you today to rectify this huge and devastating mistake and support, keep our Pension Provision Act of 2015: Senate Bill 1631 and House Bill 2844.

I am asking in closing that you on this panel be fair; walk in our shoes when you're going over the rules because it's devastating to a lot of us. It should have never happened. Thank you for your time, and God Bless all of you.

MR. FEINBERG: Dale H. Is Dale H. here? Dale, come on up. A reminder everybody, the only reason we're imposing the 10 minute rule with vigor is because there are so many other people that want to be heard, and we want to make sure that everybody gets an opportunity before we adjourn. So, Dale, you have the floor.

MR. HANNA: My name is Dale Hanna. I worked in freight and car haul for three different companies for a total of 36 years. You have heard of the devastating hardships this is going to have on retiree families. My family will suffer the same difficulties as the rest. I would like to take this time to thank the Treasury Department for allowing us this public hearing on MPRA 2014. As far as I know, this is the only public hearing the government has held on MPRA 2014 since the 114th Congress secretly abolished one of the fundamental rules, the anti-kickback rule of ERISA laws on defined pension plans.

If we may, I would like to look at just who this law has protected. First of all this law has released the federal government of any financial responsibilities at this time. It has released the PBGC from the liability they say would bankrupt them if they had to pay out the benefits paid for by us to ensure the fund since 1974. I do not understand why the PBGC continues to pay the pensions of the airline companies who have reorganized and gone on to brag about \$35 billion profit years. Are there no laws requiring these companies to reassume their pension liabilities when they have record profits? Why does the PBGC have the right to dictate pension rules before they even pay out a dime?

This law has allowed Central States Fund to correct the underfunded deficit solely on the retirees and the active workers through pension reductions as under Section 432(e)(9)(f), increase minimum retirement ages, and eliminate future disability pensions under Section 432(e)(9)(d). Have we even worked out a formula to reduce Central States' management costs? How about a limit on investment fees paid to investment companies? Can Central States make public just how much they have spent on lobbying for the passage of the MPRA 2014 bill? Will Central States submit to an independent outside audit to verify their claims?

Fund sponsors have been given the right to merge pension funds. How about merging the fully-funded IBT Pension Fund, which our dues funded, with the Central States Pension Fund? No union official retiring with a larger pension than the highest rank-and-file member. This would be a solution to several problems. We understand the rank-and-file will have to refinance this fund, but we should do so across the board; everyone the same rate with the exception of older retirees. If you can force a retiree to make up the fund loss that occurs when a company does not pay their withdrawal liability, then by the same logic fund trustees should have to make restitution of bad investments. In every bankruptcy case I know, when a judge excuses a debt, no one can ask for money to settle that debt. Then how is Central States forcing retirees to pay back that debt? This law allows Central States to cut retiree pensions 60 percent if the company the retiree worked for went out of business, was bought out, closed due to

bankruptcy without paying their withdrawal liability. If it takes 30 percent to reach sustainable levels and you take 60 percent, is that not profiting off the retirees?

I hope the Treasury Department understands how important this hearing is to the retirees. It is the only time a retiree will be heard. When we retire, we no longer have a voice. We lose the right to vote in any union election, national and local. The rule is simple. You do not contribute, you do not have a say. I hope you define a reduction to a promised pension as a retiree having to refinance his pension. Therefore, once again he is paying into the fund. Would you instruct Central States to allow us to reclaim our voting rights in the Teamsters Union, or at least create an equal number of elected retiree trustee seats on the Pension Board so we can investigate some of the other options such as investment strategies that have kept 1,310 Multiemployer Pension Funds of the 1,510 Multiemployer Pension Funds correctly funded? If we have to refinance this fund, please allow us a say in how it is managed as retiree representatives under section 432(e)(9)(B). Then maybe we will not have to revisit this again.

In summary the MPRA 2014 has placed the responsibility of getting our Pension Fund solvent on the retirees and no one else. This bill protects the PBGC, sponsor companies, investment companies, and the government, and it places the burden on the very people it was supposed to protect.

I would like to offer an analogy as to what effects I see may happen. A 30 percent pension reduction across the board would be like trying to prepare for the effects of a Category I hurricane. All luxuries would have to be eliminated -- family vacations, dining out, movies. Upper tier medical insurance plans would all have to be scaled back. Religious and charitable contributions would have to be scaled back. No longer would you be the financial safety net for your children, grandchildren, and the sick and the elderly. Your ability to help others on the brink of disaster would be eliminated. Just being able to sustain your household without being a burden on society would be a great accomplishment.

For those you have assessed a 60 percent pension reduction, you have placed them in a Category V hurricane. The only goal achievable would be the basics -- food on the table, roof over their head, and medical insurance. Most will be able to provide food on the table, but many will lose mortgaged homes and the majority will have to seek government assistance on medical insurance. No longer will you be able to assist elderly parents, sick children. All contributions will be eliminated. Instead of saving for Christmas and birthdays, you will be saving to pay for income taxes, property taxes, and utilities. I seriously doubt if all the orphans will have money to bury themselves after several years on the pension rescue plan. It seems that we are sacrificing the orphaned participants to save the plan. Has the fund become more important than the participants?

In closing, all of this would have been easier to understand and work through if all the information had been released before the meeting; if our appointed representative would have informed us of the amount the fund is underfunded, the amount needed to restore the fund to acceptable levels, the amounts

participants will be cut, and the amount that the funding level will need to achieve to restore benefits.

And the last point I wish to make is our elected representatives who passed this law, giving the affected participants a vote and final say on this matter, either do not understand how a democratic vote is counted or do not understand the meaning of a democracy. The U.S. government is over \$18 trillion in debt and cannot agree on how to balance it. Social Security is facing financial problems without changes. In 2013 they will only be able to pay \$.75 for each dollar they owe, and Congress can't agree on how to fix it. So please tell me what on earth qualifies the 114th Congress to be the expert on saving underfunded Multiemployer Pension Plans. Janet Yellen, the master, the Federal Reserve, anybody, we would be honored. Congress, we deserve better.

Again, thank you, thank you. This means the world to us just to be able to talk to somebody about this.

MR. FEINBERG: I thank Dale for his comments. Dale made one comment that I very much disagree with. He said that only at "this hearing will be the only time retirees will be heard." I assure, we assure, the people in this audience that we will reach out to you, that we will continue the dialogue, that we want your input, and we will do what is necessary to make sure to Dale and others that this is not the only time that the retirees will have input. You have my word on that.

Mary Packett. Is Mary here? Mary Packett? Mary, come on up. Dale, you were under 10 minutes. Congratulations. That's a first.

MS. PACKETT: First I want to say hello to my dad. Dad, stand up. This is my father, Fred Laurie, who I am representing here today. Show them your Iowa/Nebraska tuxedo, dad.

Mr. Feinberg, I admire you like I admire my father. You've had a lot of tough decisions to make. You helped allocate money for the victims of 9/11. You helped allocate money for the oil spill to the victims there. It's going to be tough now because you're going to be taking money from victims and that is what they are, victims, in all of this.

These men have had no say in their money for years. People like the NCCMP, people like Thomas Nyhan, have been taking money and making money from these pensions for years and years and years, hundreds of millions of dollars have been pulled from this pension. This is the pension Bible. These are the investments. They're 5500 Forms. This is the pension Bible. These men trusted, trusted Mr. Nyhan to do his fiduciary responsibility to them. What is fiduciary responsibility? What is it? Is it being lazy? Is it excusing things? Is it talking about the Pension Benefit Guaranty Corporation when you go before Congress? Is it talking about the investments? This isn't investments. This is a portfolio, a portfolio. Nobody talks about it being a portfolio. There are investments into the governments of Turkey that are losing the pension money. There are 0 percent bonds that are making the managers, BNY Mellon and Northern Trust, more money than it's making these men. This doesn't belong to

you. This doesn't belong to you. This belongs to them. This is their money and has been their money the whole time. Nobody, nobody -- no offense, Mr. DeFrehn, we are protecting the financial security of our funds. These are not your funds. You claim to be the Multiemployer Master of the world. You're good friends with a lot of these people on the Pension Benefit Guaranty Corporation. You also brag about making sure that the Pension Benefit Guaranty Corporation wasn't paid the amount of the money they should have been paid, and yet when it comes to cutting these men's money, you turn around and use the Pension Benefit Guaranty Corporation as an excuse to do it with. These men had no say. I don't know what your place is. I do know Mr. Josh next to him. You were working for the NCCMP. You have now left and now you work for the Groom Law Offices. If I recall, the Groom Law Offices are the ones that are overseeing Central States' pension cuts. Now, if there is not conflict here, what is there?

I could tell you -- I'm sorry, I've got to calm down. It makes me angry. These men have been taken advantage of for years and years and years for so many years. And let's talk about Central States and let's talk about the Western Conference. Let's do the math that you guys haven't heard. They make a billion more a year than the Western Conference does. We know that. They pay out \$200,000 less. So in 2008 to 2013 would be the \$5 billion that's paid in more, and let's deduct the \$200,000 times five or multiply it times five, that's \$6 billion. In 2008 the Western Conference had \$24 billion. So you add the contributions and the extra that they're not pulling out; that's \$30 billion. So is their pension \$30 billion? No. Their pension is \$39 billion at this point.

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We can't go back in time. I know this is a law. But I think you need to be aware that there are a lot of people making a lot of money off these investments. I'd like to know how expensive their suits are that they're wearing. It's not fair to these men. It's not fair. The Western Conference has investments in real estate. We have a \$27,000 investment in some housing company in California. \$27,000. There are 20 shares of stock for \$8 in an almost \$18 billion portfolio. No Berkshire -- I'm from Nebraska. Man, we are Warren Buffet fans here. No Berkshire A, no Berkshire B in here. Union Pacific Railroad has always paid dividends. There is very little Union Pacific Railroad stock in here, but nobody's talking about -- this is the meat and potatoes. This is what would keep the pension from going insolvent. But nobody's talking about it and it needs to be talked about.

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able to change management here because they have gotten lazy. They are not doing their job. They haven't done their job for years. Mr. Nyhan is paid \$660,000 a year, double-bubbling, and I know that this is not right, not right and not fair to these men who drove in trucks that were not air conditioned, that were not -- they didn't have interstate systems when they drove. They didn't have the luxuries in the air ride. They didn't have this when they went out and worked 70 hours. I didn't know that man there, my own father, until my mom passed away. He got 5 years with her before she passed away. And I am telling you, my father worked hard, and all of these men have worked just as hard and sacrificed their family. And we're not going to watch men wear fancy suits and take money and steal money from these men and go to other law offices because -- what's the word -- they spearheaded the legislative effort that resulted in the passage of the Multiemployer Pension Reform Act. Yeah, let's go to meat and potatoes.

I'm sorry, I've got Sjogren's Disease. I should have brought up some water. Anyway, the point being here is this is just a tip of the iceberg. If I can find this in how many months, if I can spot these things in how many months, what else is there? What else is there? I'm just asking you guys, please, to get the 5500 Forms and ask your financial advisor if they put their investments in this. And if they say no, then you know what? Think about these men and what's happened to them. I'm done, sir. Thank you, guys.

MR. FEINBERG: Thank you. Michael Walden. Is Michael Walden here? Michael, come on up. Sir, you must be very proud of your daughter. She must have been a terror growing up, though. Mr. Walden, you have the floor.

MR. WALDEN: Thank you, sir. Thank you, Mr. Feinberg and the panel for allowing us to be here. It is a first to us. We don't get any information about these hearings, meetings, whatsoever, but we have been working on that.

After these last four speakers, I got nothing. I'm going to start -- I had a beginning to my speech I was going to give, but I'm going to start at the end of it for one reason, so that I can get some of the things in that concern me about the MPRA of 2014 that I feel need to be looked at.

Number one, I hear a lot of speakers when they get up. The first thing they do is tell a joke to relax the crowd. My joke is MPRA 2014. As a Vietnam veteran -- and I'll get back to the rest of my life later -- but as a Vietnam veteran, I've not been in an ambush like this since the Vietnam War and that is very serious. There was never a hearing on this new law that was lobbied and attached to the HR 83. Even though Mr. Kline and Mr. Miller said that they had had four hearings, five public meetings, none of them pertained to this law whatsoever. We should have had our day on the floor. We should have had our day to address the law, and the one car to save on the insurance premiums. I have already cut newspaper, cable. They will cut the landline in January, my telephone. All luxuries would be gone. We thought this stage of our lives would be comfortable, but this is devastating and not just for me, but to so many others out there. The men and women who banked on the American dream, our government has let us down by this Multiple Pension Act of 2014. Some people

may think we can get a job to supplement this devastating loss of income, but some of us are unemployable. I am 73 years old with speech issues and -- I'll show you -- with a feeding tube. That's how I eat.

Then in consideration for some of you, there's the reemployment rule that we've been hollering about for years. That has to be looked into. I don't even think I could be a greeter at Wal-Mart. In 2005 I was diagnosed with throat and tonsil cancer. I have lost my thyroid, sense of smell, taste, no saliva. I lost 40 percent of my hearing and will always eat with my feeding tube. I just recently was hospitalized with pneumonia for 8 days. I am thankful that I can speak to you today. My wife has breast cancer with three surgeries and chemo since January. She is awaiting radiation and is fearful of any other surgeries in 2016 due to the devastating cuts to our pension. Our medical bills are very high with copays, deductibles, and medicines. It seems never ending.

We are surviving this rough patch, but when these devastating cuts occur, we will be in terrible financial distress. The phone calls I have been receiving from retirees, Local 407, 24, the stories they had to tell are a lot worse than what I'm telling you. They have cancer, loss of legs, loss of arms, prostate cancer, and a lot of them have passed away due to cancer and other diseases, younger than me. How many we know that never even made a first pension check. When you go back and look in the minds of your fellow workers we used to work with -- Joe, Bob, Bill -- they passed away. Bill's son used to work there, but he passed away early. And the mortgage, it bothers you. So there are many, many people in worse shape than me. Some have high mortgages or they have kids in college as well as health issues.

In 2013 Teamsters for a Democratic Union informed us of the Congressional hearings in Washington. A few of us attended, but mostly they were conducted behind closed doors. The plan administrators and many company owners had a chance to present their case. We had AARP to present on our behalf to fix the funds, but they were rejected. They would not work. We had no chance to speak on our own behalf. I doubt if Congress ever read the 161-page booklet provided on the Multiple Pension Act of 2014. With this being tacked onto the arms bill with other issues and the threat of a government shutdown, they voted yes.

MR. FEINBERG: One minute, Mr. Adams.

MR. ADAMS: OK, thank you. On this very important issue, it should have been a standalone vote. We had Congressmen and Senators that I bet never even read the bill. They just said that they wasn't going to shut down the government. President Obama voted to cut our pensions, so we didn't have a government shutdown. That's why I wish we would have another standalone vote. So I'm asking you today to rectify this huge and devastating mistake and support, keep our Pension Provision Act of 2015, Senate Bill 1631 and House Bill 2844.

I am asking in closing that you on this Panel be fair, walk in our shoes when you're going over the rules, because it's devastating to a lot of us. It should have never happened. Thank you for your time, and God Bless all of you.

MR. FEINBERG: Dale H. Is Dale H. here? Dale, come on up. A reminder everybody; the only reason we're imposing the 10 minute rule with vigor is because there are so many other people that want to be heard, and we want to make sure that everybody gets an opportunity before we adjourn. So, Dale, you have the floor.

MR. HANNA: My name is Dale Hanna. I worked in freight and car haul for three different companies for a total of 36 years. You have heard of the devastating hardships this is going to have on retiree families. My family will suffer the same difficulties as the rest. I would like to take this time to thank the Treasury Department for allowing us this public hearing on MPRA 2014. As far as I know, this is the only public hearing the government has held on MPRA 2014 since the 114th Congress secretly abolished one of the fundamental rules, the anti-kickback rule of ERISA laws on defined pension plans.

If we may, I would like to look at just who this law has protected. First of all, this law has released the federal government of any financial responsibilities at this time. It has released the PBGC from the liability they say would bankrupt them if they had to pay out the benefits paid for by us to ensure the fund since 1974. I do not understand why the PBGC continues to pay the pensions of the airline companies who have reorganized and gone on to brag about \$35 billion profit years. Are there no laws requiring these companies to reassume their pension liabilities when they have record profits? Why does the PBGC have the right to dictate pension rules before they even pay out a dime?

This law has allowed the Central States Fund to correct the underfunded deficit solely on the retirees and the active workers through pension reductions as under Section 432(e)(9)(f), increase minimum retirement ages, and eliminate future disability pensions under Section 432(e)(9)(d). Have we even worked out a formula to reduce Central States' management costs? How about a limit on investment fees paid to investment companies? Can Central States make public just how much they have spent on lobbying for the passage of the MPRA 2014 bill? Will Central States submit to an independent outside audit to verify their claims?

Fund sponsors have been given the right to merge pension funds. How about merging the fully-funded IBT Pension Fund, which our dues funded, with the Central States Pension Fund? No union official retiring with a larger pension than the highest rank-and-file member. This would be a solution to several problems. We understand the rank-and-file will have to refinance this fund, but we should do so across the board; everyone the same rate with the exception of older retirees. If you can force a retiree to make up the fund loss that occurs when a company does not pay their withdrawal liability, then by the same logic fund trustees should have to make restitution of bad investments. In every bankruptcy case I know, when a judge excuses a debt, no one can ask for money to settle that debt. Then how is Central States forcing retirees to pay back that debt? This law allows Central States to cut retiree pensions 60 percent if the company the retiree worked for went out of business, was bought out, closed due to

bankruptcy without paying their withdrawal liability. If it takes 30 percent to reach sustainable levels and you take 60 percent, is that not profiting off the retirees?

I hope the Treasury Department understands how important this hearing is to the retirees. It is the only time a retiree will be heard. When we retire, we no longer have a voice. We lose the right to vote in any union election -- national and local. The rule is simple. You do not contribute, you do not have a say. I hope you define a reduction to a promised pension as a retiree having to refinance his pension. Therefore, once again he is paying into the fund. Would you instruct Central States to allow us to reclaim our voting rights in the Teamsters Union, or at least create an equal number of elected retiree trustee seats on the Pension Board so we can investigate some of the other options such as investment strategies that have kept 1,310 Multiemployer Pension Funds of the 1,510 Multiemployer Pension Funds correctly funded? If we have to refinance this fund, please allow us a say in how it is managed as retiree representatives under Section 432(e)(9)(B). Then maybe we will not have to revisit this again.

In summary, the MPRA 2014 has placed the responsibility of getting our Pension Fund solvent on the retirees and no one else. This bill protects the PBGC, sponsor companies, investment companies, and the government, and it places the burden on the very people it was supposed to protect.

I would like to offer an analogy as to what effects I see may happen. A 30 percent pension reduction across the board would be like trying to prepare for the effects of a Category I hurricane. All luxuries would have to be eliminated -- family vacations, dining out, movies. Upper tier medical insurance plans would all have to be scaled back. Religious and charitable contributions would have to be scaled back. No longer would you be the financial safety net for your children, grandchildren, and the sick and the elderly. Your ability to help others on the brink of disaster would be eliminated. Just being able to sustain your household without being a burden on society would be a great accomplishment.

For those you have assessed a 60 percent pension reduction, you have placed them in a Category V hurricane. The only goal achievable would be the basics -- food on the table, roof over their head, and medical insurance. Most will be able to provide food on the table, but many will lose mortgaged homes and the majority will have to seek government assistance on medical insurance. No longer will you be able to assist elderly parents, sick children. All contributions will be eliminated. Instead of saving for Christmas and birthdays, you will be saving to pay for income taxes, property taxes, and utilities. I seriously doubt if all the orphans will have money to bury themselves after several years on the pension rescue plan. It seems that we are sacrificing the orphaned participants to save the plan. Has the fund become more important than the participants?

In closing, all of this would have been easier to understand and work through if all the information had been released before the meeting; if our appointed representative would have informed us of the amount the fund is underfunded, the amount needed to restore the fund to acceptable levels, the amounts

participants will be cut, and the amount that the funding level will need to achieve to restore benefits.

And the last point I wish to make is our elected representatives who passed this law, giving the affected participants a vote and final say on this matter, either do not understand how a democratic vote is counted or do not understand the meaning of a democracy. The U.S. government is over \$18 trillion in debt and cannot agree on how to balance it. Social Security is facing financial problems without changes. In 2013 they will only be able to pay \$.75 for each dollar they owe, and Congress can't agree on how to fix it. So please tell me what on earth qualifies the 114th Congress to be the expert on saving underfunded Multiemployer Pension Plans. Janet Yellen, the Master, the Federal Reserve, anybody, we would be honored. Congress, we deserve better.

Again, thank you, thank you. This means the world to us just to be able to talk to somebody about this.

MR. FEINBERG: I thank Dale for his comments. Dale made one comment that I very much disagree with. He said that only at "this hearing will be the only time retirees will be heard." I assure, we assure, the people in this audience that we will reach out to you, that we will continue the dialogue, that we want your input, and we will do what is necessary to make sure to Dale and others that this is not the only time that the retirees will have input. You have my word on that.

Mary Packett. Is Mary here? Mary Packett? Mary, come on up. Dale, you were under 10 minutes, congratulations. That's a first.

MS. PACKETT: First I want to say hello to my dad. Dad, stand up. This is my father, Fred Laurie, who I am representing here today. Show them your Iowa/Nebraska tuxedo, dad.

Mr. Feinberg, I admire you like I admire my father. You've had a lot of tough decisions to make. You helped allocate money for the victims of 9/11. You helped allocate money for the oil spill to the victims there. It's going to be tough now because you're going to be taking money from victims and that is what they are, victims, in all of this.

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I could tell you -- I'm sorry, I've got to calm down. It makes me angry. These men have been taken advantage of for years and years and years for so many years. And let's talk about Central States and let's talk about the Western Conference. Let's do the math that you guys haven't heard. They make a billion more a year than the Western Conference does. We know that. They pay out \$200,000 less. So in 2008 to 2013 would be the \$5 billion that's paid in more, and let's deduct the \$200,000 times five or multiply it times five, that's \$6 billion. In 2008 the Western Conference had \$24 billion. So you add the contributions and the extra that they're not pulling out, that's \$30 billion. So is their pension \$30 billion? No. Their pension is \$39 billion at this point.

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We can't go back in time. I know this is a law. But I think you need to be aware that there are a lot of people making a lot of money off these investments. I'd like to know how expensive their suits are that they're wearing. It's not fair to these men. It's not fair. The Western Conference has investments in real estate. We have a \$27,000 investment in some housing company in California, \$27,000. There are 20 shares of stock for \$8 in an almost \$18 billion portfolio. No Berkshire -- I'm from Nebraska. Man, we are Warren Buffet fans here. No Berkshire A, no Berkshire B in here. Union Pacific Railroad has always paid dividends. There is very little Union Pacific Railroad stock in here, but nobody's talking about -- this is the meat and potatoes. This is what would keep the pension from going insolvent. But nobody's talking about it and it needs to be talked about.

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I'm sorry, I've got Sjogren's Disease. I should have brought up some water. Anyway, the point being here is this is just a tip of the iceberg. If I can find this in how many months, if I can spot these things in how many months, what else is there? What else is there? I'm just asking you guys please to get the 5500 Forms and ask your financial advisor if they put their investments in this. And if they say no, then you know what? Think about these men and what's happened to them. I'm done, sir. Thank you, guys.

MR. FEINBERG: Thank you. Michael Walden. Is Michael Walden here? Michael, come on up. Sir, you must be very proud of your daughter. She must have been a terror growing up, though. Mr. Walden, you have the floor.

MR. WALDEN: Thank you, sir. Thank you, Mr. Feinberg and the panel for allowing us to be here. It is a first to us. We don't get any information about these hearings, meetings, whatsoever, but we have been working on that.

After these last four speakers, I got nothing. I'm going to start -- I had a beginning to my speech I was going to give, but I'm going to start at the end of it for one reason, so that I can get some of the things in that concern me about the MPRA of 2014 that I feel need to be looked at.

Number one, I hear a lot of speakers when they get up. The first thing they do is tell a joke to relax the crowd. My joke is MPRA 2014. As a Vietnam veteran -- and I'll get back to the rest of my life later -- but as a Vietnam veteran, I've not been in an ambush like this since the Vietnam War and that is very serious. There was never a hearing on this new law that was lobbied and attached to the HR 83. Even though Mr. Kline and Mr. Miller said that they had had four hearings, five public meetings, none of them pertained to this law whatsoever. We should have had our day on the floor. We should have had our day to address the law, and senators and the congressmen that voted on this should have had their day and their chance to read it. There was -- I have not spoke to one representative -- and I spoke to many, trust me.

And those that know me know I have. I have not spoke to one yet that read the law before or the law after. They were presented this law, and in most cases we had the law on our committees before they had it.

They didn't have a chance to read it. I've talked to Sherrod Brown, Tim Ryan, Marsha Fudge. I can name you a host of others. Republicans Ron Johnson, Patrick McHenry, Jim Renacci.

I just met with Jim Renacci last week. First question that I asked him: Have you read this law? Have you seen it? No was his answer. That tells you how we got ambushed right there.

The sections in the law that were to help us were only attached to pacify us. Number one, the retiree representative -- zero contact with that woman.

She has put out three letters, and I Guaranty you just about everybody here, maybe a very small percentage, only received one from her announcing on April 8th that she was appointed the retiree representative. Even though she was appointed the retiree representative in January of 2014, we didn't get the message until April 8th.

We have no contact. We've invited her to meetings. I've been up to Minnesota. We had 175 people up there for a meeting. We invited right in her hometown.

No contact, no response to anything that we offered her to speak or whatever. She has not done one thing for us. Everything she has done has been untimely.

We didn't find out who our actuary was that she appointed or our legal counsel that she appointed until about three or four weeks after the fact. And possibly by then they had already been appointed possibly back in January or February also.

If you look up the definition for advocate, Susan Morin is not an advocate for us at all. If you look up the definition of puppet, that's where she falls in. She's definitely a puppet for Central States.

In legal counsel she appointed, I don't know who's been there. Some of you haven't even got the second letter that says who it is, Leonard O'Brien Law Firm.

Soon as you go to their website and to the section that says retiree representative, the first thing that's on there -- we do not represent you, we do not give you any legal advice. If you want legal advice, you want a representative, you go find an attorney.

Why did they spend our money to appoint that legal counsel? The actuary -- I've spoke to him, I've emailed him, I trust him.

He's actually the only one I trust in this whole deal right now other than Mr. Feinberg and the panel. The actuary, when they do the report, I was under the impression that before the plans were submitted and any reductions were made, that the actuary report came into play.

According to some attorneys I've talked to, that doesn't have nothing to do with it. Why are we spending our money on that?

Actually there was a letter or some sort of a form put out by J. Eglebird from First Actuarial Counseling Service and Leonard O'Brien Law Firm that they were

asking the same questions. What are they supposed to do? Who is this retiree representative?

What are we supposed to do for her? What is her job? What are her duties? And we're asking the same questions of the people she appointed.

That was titled Goldilocks if anybody read it. The vote -- if you look around, panel, I can guarantee you that a large percentage, if not most, do not have any means of doing electronic vote. I've talked to people within the last week -- I had a gentleman call me the other day.

Actually, I think he's here -- Mr. Sanjovay. He just got his first cell phone last month. No means, no computer, no way they can vote.

There's just no way possible. Even Central States, I believe, has even admitted that there's no way they can get a hold of 130,000 vested and terminated employees.

They don't have a clue where they're at. These people could have been vested and terminated back in the late 70's. But yet from what I understand about the vote, their vote's going to count, whether they vote or not.

I haven't heard a decision on that yet. I've been trying to follow it. The vote's going to be, right now I guess, electronic. And I've heard it's going to be: press one for yes and press two for no, or whatever that sequence is going to be, I'm not sure.

I did like the section on the voting that I read from the Treasury Department that they're going to oversee the voting. And I do like the -- I think there was going to be a code attached to the ballots or something for an individual. I like all that.

But I would like to see the Treasury Department oversee everything. I would like to even have some of us volunteer, if possible, to even be a watchdog at that vote.

They're taking the right for us to sue the pension funds, the administrators, their directors, their trustees -- taking that right away from us, that seems unconstitutional to me. What if they're making mistakes?

Are they saying that no, we can't sue you even though they're going to lose all of our money? That's ridiculous. The powers given to the trustees with no financial background; these people are local presidents, joint council presidents.

The employer side -- I can't speak about them. But these people can't -- they don't have the expertise to oversee an 18 billion dollar fund.

I've been a trustee in many different organizations. I still am in some. And we all know how that works. Whatever the main man comes down with, you just basically say yeah, that's right -- OK, here we go.

And that's what's happening in this case. We don't get to appoint these trustees or elect them. They are appointed by the central states -- or the Central Trustees Appointment Board and the Southern Trustees Appointment Board. We

have no say in it whatsoever. What happened to restoring our pensions? One thing I did like -- and there were some good points in the solutions, not bailouts.

One thing I did remember, if a pension fund becomes solvent again, that the pensions would be restored to the retirees that lost their pension. Not retroactive, but just restore at that point.

Why was that taken out of this new law? There's no mention of that in there. I did like that point, though, and I would like to see it come back in for many reasons. One, how many times have we been through contracts and given concessions?

And with this six months, a year, all of a sudden the company's making a lot of money and all that money goes to the executives in tens and millions of dollars in bonuses, stock, whatever. We don't see it getting back.

We'd like to see it put in -- of course I don't know how we can do it. But get our pensions restored if the pension fund becomes solvent or the law changes in a few months.

There are some bills -- there is possibly a couple bills out there that may change the law that will repeal this MPRA2014. The vulnerable age, the 80 and over, no cuts. 75 to 79, no cuts.

I looked up vulnerable in the dictionary. I did not see an age in there. It just said to cause harm. To me, if you're going to have a vulnerable age, and I'm over this age, but the people that are aged before the age of 62, if they have their pensions cut, they have no means.

They can't collect Social Security. They're not eligible for Social Security yet. They probably still have children in school, if not college. Car payments, house payments, anything you could imagine.

A person over 80, they're pretty much done with that. And I'm not wanting to go against the people at 80, but let's be fair here in all aspects of this.

Active workers -- right now what I see what Central States wants to do is put - - anyway, active workers, they want to stop their -- whatever the date is of implementation -- they want to stop at that date, and then cut them whatever percentage they agree on, take that money away from them. If they've only got five years, six years, that gets cut.

And then from that point on they start a whole new pension. And unfortunately I didn't get to the very core of this. Thank you very much.

MR. FEINBERG: Let me just remind Mr. Walden and any other witnesses. If your ten minutes is up, we welcome you to submit in writing anything further on specific regulations.

I promise you we'll get back to you, we'll talk with you about them. Just because you're not going to continue to speak, that doesn't mean we don't want to hear what you have to say.

MR. WALDEN: Fair enough. Thank you.

MS. JUDSON: Mr. Walden? I had one question as well. The more recently issued proposed regs regarding the voting also provide for voting by telephone.

Would that resolve some of the challenges for folks who don't have access to computers?

MR. FEINBERG: It's overseen by Treasury.

MR. WALDEN: If it's overseen by Treasury, yes, I can understand voting by telephone. If it has to be some sort of a tone or a message or given a code, keep in mind we have some retirees that still have dial phones.

MS. JUDSON: Well, I think what would be helpful if you have an opportunity to provide supplemental information is to think about the kind of systems that would work. But people were trying to balance the statutory -- very tight time deadlines and give retirees as much time as possible to consider their decision.

And that's a challenge if you have a system that takes longer. So we appreciate any suggestions about mechanisms that are easy for people to use, but can be done quickly. Thanks very much.

MR. WALDEN: Thank you.

MS. JUDSON: I wanted to make one other point about Mr. Feinberg's welcoming additional comments, which we do welcome and we will review and appreciate them. But I also have to point out that we are going to be working on the regulations themselves.

So comments that come after the deadline, we read and include to the extent we can and really try to get them all in. But it's possible if they come too late that we can't.

So we encourage you to get them to us as quickly as you can because at a certain point we're finalizing the work.

MS. MARSHALL: They are publicly available.

MR. FEINBERG: OK. Katherine -- I think I got this right -- Sciacchitano. Is Katherine Sciacchitano here? Come on down.

MS. SCIACCHITANO: You didn't know that that is the most common mispronunciation, so you did very well.

MR. FEINBERG: How is it pronounced?

MS. SCIACCHITANO: Sciacchitano.

MR. FEINBERG: Sciacchitano, sorry. Katherine Sciacchitano.

MS. SCIACCHITANO: So I'm going to speak about a very specific point, about the issue of common control on the applications of the statute and the regulations. I had a prepared statement, which I threw out based on some information I got yesterday.

When I got here this morning, I realized there is one additional point I would like to make that I think is relevant. So I'm speaking from some jotted notes on that. I am a retiree under a multi-employer pension plan.

My employer went belly-up, I believe without paying withdrawal liability. That of course is grounds under the statute as -- I think everyone here knows -- for if cuts are required for cutting the pensions, my pension and people in my situation more than cutting other pensions, yet it is the case.

And I'm going to speak first in labor terms. Under labor law, my employer was a single employer with an employer who remains in the plan. I believe this is a single employer under labor law with an employer that remains in the plan. There was exchange of personnel, overlap of Boards, a lot of different things.

The problem that comes up is that under the Internal Revenue -- and these are both nonprofits -- under the Internal Revenue code, there's an 80 percent test. The overlap and Boards has to be 80 percent, and I'm stating that pretty loosely, but you know what I'm talking about.

So they come close to meeting the standard, I think, even under the IRS code for being a single employer, but they don't quite. There's going to be tremendous pain for everyone whose pensions are cut here.

What I'd like to urge is that there is a provision in the IRS regulations -- the anti-abuse rule under -- I think it's 26 CFR 414(c)5F -- that gives the Commissioner the ability to find a single employer to prevent abuse. And the point I want to make is a very simple one, that that be applied liberally in this case because of the kind of extreme pain to many people who were very vulnerable, who are going to be very vulnerable.

And I think this goes -- I'm making this statement not just because my employer may be involved in this, but because I think that there are probably many employers. Is there any questions?

MR. WELLER: Let me understand the fact pattern you're talking about. You're saying there's two employers that are related, but insufficiently related to trigger the standard 80 percent control group overall?

MS. SCIACCHITANO: Probably insufficiently related, yeah.

MR. WELLER: And you're saying that one of them withdrew from the multi-employer plan, but the other kept going --

MS. SCIACCHITANO: Remains, right.

MR. WELLER: -- in the multi-employer plan and your suggestion is that we treat them so related in a way such that it's not treated as a withdrawal in the first place?

MS. SCIACCHITANO: Yeah, so the withdrawal liability actually falls on the remaining employer, which is the case where there's common control between employers. But there's a very specific test for nonprofit employers that these employers may not meet.

MR. WELLER: So the remaining employer is not taking the position that it's responsible for the withdrawal liability of the one that withdrew?

MS. SCIACCHITANO: Not in any clear way as far as I know.

MR. WELLER: And the one that withdrew is not paying its withdrawal liability?

MS. SCIACCHITANO: Unable -- completely unable. So this is in the case of subterfuge, the employer that, I'm using the slang term, went belly-up is not intentionally avoiding pension liability. So I've looked less at the common control test for normal employers that aren't nonprofits.

That test I think -- believe should be applied liberally as well, to the extent that's possible. And I think it would be very helpful to include that in the regulations and comments on the regulations. Did I respond to your questions about what the facts are?

MR. WELLER: Yes, you did. Thank you.

MS. SCIACCHITANO: Thank you.

MR. FEINBERG: Karen Ferguson of the Pension Rights Center. Is Karen -- Ms. Ferguson here?

MS. FERGUSON: And now for something a bit different, I think. I'm here today -- I want to thank all of you, Mr. Feinberg, the panel, Mark Avery, the Treasury for holding this hearing.

I was delighted to hear that it will only be the first. For those of you who don't know, the Pension Rights Center is a consumer organization that has been working for the past almost 40 years to protect and promote the retirement security of American workers, retirees and their families. I'm here today to talk about the proposed and temporary regulations that you have issued under the Multi-Employer Pension Reform Act.

You can see how important this issue just by looking around the room today. I just heard that there are at least 190 of you here, possibly more. You've come to Washington today at your own expense to ask the panel here and also your elected members of Congress to protect your pensions.

Most of you here, I think, are probably from the Central States Teamsters Pension Fund. That's simply because the Central States Teamsters Pension Fund has told you that it is going to cut your pensions.

There are hundreds and thousands of other retirees and workers, but particularly retirees around the country, who have no idea that their pensions would be cut, or they would be here too, and we would have many more people. Certainly today your mandate is not to change the law.

You are here to try to figure out how to make it as good as it can be within the limits of what we think is a terrible law. Although my statement will focus on the topic of the day, the proposed regulations, I have to just express our protest at how MPRA was enacted.

You've heard about it from some of the retirees, but to put it charitably, it was negotiated by a very, very small group of a couple of legislatures and some lobbyists, some of whom are here today, in what can only be called a backroom deal. As you have heard, there were no legislative hearings, no floor debate.

Members of Congress were told that a vote against the bill would be a vote to shut down the federal government. This is not the way the democratic process is supposed to work. No wonder all of you feel you have been betrayed.

You also know MPRA is unprecedented overturning 40 years of law by allowing your trustees to reduce your benefits. And it has also established a very dangerous precedent.

It isn't just multi-employer plan retirees that are going to be cut. This is a precedent for all types of pensions, possibly even Social Security.

Very important -- contrary to the proponents of MPRA, that legislation was not necessary to save the troubled multi-employer plans or the PBGC. What they did was just an easy thing to do.

And many of you in the audience know there is an alternative. Many of you will be at a press conference this afternoon with Senator Bernie Sanders and Congressman Marcy Kaptur to talk about their legislation to Keep Our Pension Promises Act.

I hope at another time in another forum we can talk to you about CAPA. But now important, turning to the proposed regulations. I know Vicky is impatiently waiting.

In our written comments, we asked you to use your maximum limits of your authority to implement the law in ways that will be most protective to retirees. We really think that in general you have accomplished this goal to the extent that you were able to, and we truly commend you for your efforts.

Many of the rules and the proposed regulations offer meaningful protections to participants, and particularly elderly and disabled individuals who are among the most vulnerable. We particularly applaud your decisions to ensure that participants who retire on disability pensions remain exempt from the cuts, even if their plan later puts them into a retirement pension that is subject to cuts.

We also think that your provisions on divorced spouses make a lot of sense. You make sure that it doesn't matter how the couple agrees to share the benefit, they will be treated the same. At the same time as we noted in our written comments, we think there are improvements needed in the regulations.

There are a number of places in the statute where terms such as "reasonable", "in good faith", "justifications", "reasonable measures" and so on are used to define what types of information are provided by plan sponsors, also the range of actuarial assumptions and the determinations of whether plans have taken "all reasonable measures to avoid insolvency." In our written comments we address each of these provisions individually.

But generally we believe that opportunities for discretion by plans sponsored by the trustees must be constrained to the maximum extent allowed by the regulations by requiring outside experts to evaluate the plan information, having independent analyses by experts acting in a fiduciary capacity, and also specifying safe harbor actuarial assumptions that plans must follow, absent compelling justification. We're getting technical here, but that's the way the regulation is written.

On the issue of equitable allocation of benefits, in general we applaud the approach taken by the proposed regulations, and we especially believe the illustrations should be helpful to plan trustees. But we believe further improvements could be made by specifying that benefit cuts should not disproportionately affect retirees.

All benefit cuts affect retirees disproportionately if you look at them in what the folks up here would call present value basis. But emphasis in the regulations should be to make sure that retirees are never cut proportionately more than other participants in the plan.

It's also important, because so many collective bargaining contracts are now allowing for saving by active workers in 401Ks and other defined contribution plans, that the availability of those benefits to active workers be added to the list of factors the trustees are going to be required to consider in deciding how to allocate the cuts. We also very strongly urge that there be no cuts in subsidized - not subsidized, but in qualified joint survivor benefits and widow's benefits.

Those benefits for most widows and widowers are already much smaller. They should not be cut. And we talked -- or I think somebody talked -- about benefit improvements. There is a provision for benefit improvements in the regulations.

But we want to make sure that retirees' improvements are the same as any improvements for active workers. And you heard from Mike Walden about the retiree representative. We strongly believe that the Treasury Department should set standards for deciding who is appointed as a retiree representative.

We also hope that Mr. Feinberg and others who will be reviewing the applications for suspensions of benefits, as they're called, will make sure that they review the independence, the competence, and the actions of the retiree representative in deciding whether the decision by the trustees to suspend the benefits was what the law calls clearly erroneous. The actions of the advocate should be weighed in that decision.

And then very quickly I'd like to address the temporary regulations that were just recently announced about the voting process. And I would defer a little bit with Vicky Johnson and say that no, having votes just online and telephone is not enough.

There are so many retirees who need a paper ballot. Just including a business return envelope in the packet would be enough and would not cost

much. And, of course, the younger workers will all be voting electronically or on the phone. So the burden of counting this will not be great.

But we do want to thank you for requiring in the proposed regulations that the ballots be sent by first-class mail. That is vitally important, and we really thank you for proposing that.

OK. Yep, I'm looking at the time. We also support your decision to propose having the Labor Department compile the comments by the retirees rather than having the trustees do that. That's terrific.

And we also think it's great that the Treasury Department will be appointing the firm that oversees the voting, and we think that is terrific. I also just wanted to thank the Treasury for appointing Mr. Feinberg as the special master.

You as trustees -- I mean you as retirees do not have a voice on the Board of Trustees at all. And having the special master with a reputation that Mr. Feinberg has reviewing the trustees' application to cut your benefits is so important.

And we really appreciate your openness and your willingness to hear from the trustees -- from the retirees. Why do I do that? And I hope your office will just become a point place for the retirees to comment on the process that they are going through.

And then finally, just because it may be mentioned later, I just wanted to register our strong opposition to the request by the Central States to you, Mr. Feinberg, that deferred vested participants have their benefits cut more than other people and also that the process be speeded up. It's already too fast. So thank you.

MR. FEINBERG: Ms. Ferguson, I want to thank you and the Pension Rights Center for your submission and your ongoing work. We'll remain very close in touch with you. One thing you mentioned that is very troublesome to me is your reference to the fact that unlike the people in this audience, there may be thousands of retirees around the country that know nothing about what could happen to them.

MS. FERGUSON: Yes.

MR. FEINBERG: Any suggestions you and the Center have about how we can maximize the process so that people will know what the options are and what might happen would be very much appreciated by me.

MS. FERGUSON: Yeah. So somebody was saying media. This sounds like a technical small issue with so much going on in the world. But this is so important. And to all of you, you've worked a lifetime for these pensions. You counted on them. You were assured that they would be yours for the rest of your life. I hope you will reach out to your local newspapers and your TV stations and ask them to get the word out to the other retirees.

MS. JUDSON: Ms. Ferguson, we have a few follow up questions, some of which are of a very technical nature, but based on the comments we received from you. First, a more general question; You suggest that we adopt set

standards for the retiree representative -- do you have any specific suggestions, and if not now if you could supplement?

MS. FERGUSON: We will certainly supplement it. If you are receptive to that we would like very much to. I think many of the retirees here would have some ideas. I mean, what happened in the Central States situation should not be replicated anywhere else.

MS. JUDSON: Then one other very technical question in terms of comparing comments. You, in your written submission, raised issues suggesting reduction from 5 percent to 3 percent for the, you know, hypothetical -- this is very technical -- hypothetical lower suspension rate. The American Academy of Actuaries complained about the 5 percent. One thing they mentioned is if there was a smaller benefit -- you could have a smaller range that raises certain challenges; so they were recommending that we consider having the variation based on the percentage of the total original benefit or the suspended benefit rather than on the amount of the suspension. So I'd be interested in what the Pension Rights Center thinks about that recommendation. You may not have even seen their comments.

MS. FERGUSON: Right, no. We would like to --

MS. MARSHALL: But I think their point was if it's very small suspension of say, 20 percent rather than a bigger one.

MS. FERGUSON: Oh, OK. I didn't understand, yeah.

MS. MARSHALL: five percent of that is just 1 percent of the benefit, and it's a small target.

MS. FERGUSON: OK. We would like to review. I think they will be speaking today, and we would like to review that and get back to you, if that's possible?

MS. JUDSON: Great. Thank you.

MR. FEINBERG: Leroy Goans. Is Mr. Leroy Goans here?

MR. GOANS: Thanks, Mr. Fienberg and panel for letting me speak here today. My testimony will be in regard to the benefit cuts authorized by the multi-employer pension reform act.

MR. FEINBERG: Speak right into the mic.

MR. GOANS: OK. Excuse me. My testimony today will be in regard to the benefit cuts authorized by the multi-employer pension reform act. I would like to say different plans become underfunded for different reasons. A one-size-fits-all approach to preserving plans will not work in some cases. A good example of a plan that cannot be preserved by pension cuts is the Central States Pension Fund. Please let me explain the reasons why the Fund is stressed and why cutting benefits will never preserve our Fund.

First though, one thing that needs to be made clear is plan underfunding is by no means the fault of fund participants. For many years enough money was taken out of our paychecks to properly fund our earned retirement. On an hourly

basis we sacrificed wages to do so. A few well-worn reasons why the fund is underfunded are: Deregulation, loss of jobs and contributors, and the cost of pensioner benefits.

Rarely mentioned are: Enormous investment losses due to mismanagement of fund assets, exorbitant management fees, and a lack of effective monitoring. They also played a role in the fund financial shortfall. It is vitally important that these factors be corrected. An epic \$8.8 billion of investment money was lost in the year 2008. In the article, "Fears on Teamsters Pensions", by Michael Corkery, the fund director offered these following statements concerning those losses.

Heading into the financial crisis, Central States had just received \$6.1 billion that United Parcel Service paid in exchange for letting the company's employees out of the fund. At the time, Central States had a large bet on the stock market -- about 66 percent of its assets, according to Mr. Nyhan . . . Mr. Nyhan said he doesn't blame the banks for the steep losses. He said the fund needed to boost its returns with big stock allocations "because of the underfunded nature of the plan." That's what Mr. Nyhan said.

ERISA says that a duty to act prudently is a fiduciary central responsibility under ERISA. ERISA does not mention any exception as to whether a plan is underfunded or not. Banks are required to follow provisions of ERISA that govern the conduct of plan fiduciaries. The article also points out that Goldman Sachs and Northern Trust Group for the fund appointed fiduciaries responsible for picking money managers and selling asset allocations. The investment strategies that caused the \$8.8 billion loss serves to prove that they were, and still are, a recipe for fund financial disaster. Other repeated billion dollar losses also occurred in the 1990s and 2000s. See the Central States Pension Fund 5500 Form to verify this. These losses have never been restored to the fund. Account is called for.

I found the following information at the DOL website under, "what is the role of a labor department?" It said, the labor department's employee benefits security administration, EBSA, is the agency responsible for, among other things, enforcing provisions of ERISA that govern the conduct of plan fiduciaries and the investment and protection of plan assets. The full meaning of the word "assure" is to promise, give confidence, reassure, Guaranty, and ensure against loss. The word is also used in the EBSA mission statement that reads: "The mission of the EBSA is to assure the security of retirement, health and other workplace-related benefits of America's workers and their families. We accomplish this mission by developing effective regulations; assisting and educating workers, plan sponsors, fiduciaries and service providers and vigorously enforcing ERISA law."

In spite of all this assurance, the Central States Pension Fund developed a \$20 billion financial shortfall. For those that do not know, for the past 30 years or so, by consent decree, the Central States Pension Fund was supervised by the DOL and a U.S. District Court. These two government entities vetted and selected the banks that have egregiously mismanaged the fund assets during the

period of the consent decree. Now that the fund is \$20 billion underfunded, the government is willing to return control of the fund to the Central States Pension Fund Trustees.

The NPRA allows the trustees to cut benefits as they see fit. There is a belief our civil rights may have been violated. There is a need to find out why the provisions of ERISA that govern the conduct of plan fiduciaries were not enforced. Not only was a DOL a supervisor of the fund, they also had the responsibility to enforce ERISA. For many years the court received quarterly fund financial reports. There is a need to find out why repeated billion dollar investment losses were allowed to continue. The question remains. If the government did not assume supervision of the Central States Pension Fund to assure the security of retirement benefits, then why did the government assume supervision of the fund?

Fund assets are nearly the same now as they were in 2010. This is pointed out to show that there is no good reason to rush pension cuts. There is still time to seek alternative solutions to preserving the fund without cutting benefits. A good start in that direction would be to select different fiduciaries, money managers, and creating competent oversight that would promote strict enforcement of ERISA.

An investigation needs to be held to find out how the government-supervised an ERISA-protected Central States Pension Fund could repeatedly suffer billion dollar investment losses and no one be called to account. In the meantime, we would ask those that could make a difference to get behind the Keep Our Pension Promises Act and stop all efforts to cut earned pension benefits. Thanks for the time.

MR. FEINBERG: Thank you, Mr. Goans. Our next witness, John Murphy of the International Brotherhood of Teamsters.

MR. MURPHY: Good morning, Mr. Fienberg, distinguished panel members. My name is John Murphy, and I'm currently an international vice president of the Brotherhood of Teamsters and secretary treasurer of Teamsters Local 122 in Boston, and I have members who are in Central States Pension Fund. We greatly appreciate the opportunity to be heard here today on this very important matter.

The IBT represents 1.4 million members and a wide variety of industries and occupations. The IBT and its affiliates sponsor more than 150 multi-employer pension plans covering about 1.65 million participants. Unfortunately, a number of these plans are financial troubled and will be classified as critical and declining, making them eligible to use the suspension of benefits process under the Multi-Employer Pension Reform Act of 2014.

The recent start market correct may make MPRA suspension of benefits provisions unusable by the very plans it was intended for. Unstable financial markets have always been the wildcard that threatens the sustainability of mature pension funds. Yet, Congress has never addressed what support the

federal government is prepared to offer pension plans that are destabilized by global financial shocks like we are currently experiencing, a couple of weeks ago.

As important as investment policy to these critical and declining plans, MPRA offers no guidance on how troubled plans should invest assets in the best interest of plan participants. Let's be clear that suspension of benefits is a euphemism for permanent benefit reduction for our vulnerable retirees. Let's cut to the chase on that. The ability to make these cuts is contrary to one of ERISA's bedrock principles that once a benefit has been earned it cannot be reduced or eliminated. That is why the Teamsters Union under the general president Jim Harper opposed this provision of MPRA and why we support its appeal through the Keep Our Pension Promises Act sponsored by Senator Bernie Sanders and Representative Marcy Kaptur.

But in recognition of the current state of the law, we offer several comments on steps we believe should be taken to mitigate the serious economic impact on retirees and other plan participants and beneficiaries. The IBT supports the flexibility of phased-in suspensions offered by the proposed regulation to permit phased-in suspensions, and we are pleased with this interpretation. But we believe it should go even further and permit contingent phase-in. In our view, committing additional cuts contingent on deteriorated funded status or poor investment performance is more consistent with the statutory requirement that benefit cuts should be reasonably estimated to achieve, but not exceed, the level necessary to plan insolvency.

This gets into the pretty dry and complex subject of actuarial assumptions, and I refer you to our written comments. I am no expert on actuarial matters, but I do want to emphasize a couple of points. First, even the best and best-intentioned actuaries cannot accurately predict future events. Many of the assumptions they use are highly uncertain and volatile. Investment performance is a perfect example. Others include: Assumptions about the general economy and the specific business industry cycles and how that affects employer contributions.

The final regulations should not provide an incentive for plans to make larger cuts than necessary in an effort to obtain plan solvency. That's the point. The way the law is structured there's an incentive for our plans to make big cuts because they're uncertain about the future. Rather, committing further cuts contingent on poor investment returns or other events causing deterioration of a plan's funding status is more consistent with the goal of not cutting benefits more than necessary to avoid plan insolvency. In other words, you give them a little bit of room so they can adjust, so you don't get cut immediately more than necessary. That's a critical point.

Second, the notion that benefit improvements can be made in the event of positive experience after an overreaching cut is unrealistic and can further undermine the relationship between the plan and its participants. You see the relationship today between retirees and the plan. Anything that further undermines it would be disastrous to the plan and disastrous to those retirees.

Finally, it is vital that assumption about investment return be reasonable. We think the Treasury Department should look carefully about the investment return assumption used by plans seeking approval of benefit cuts. Although we understand that the government may be reluctant to tell plan fiduciaries how to invest, we seriously question whether the government should be encouraging plan fiduciaries to try to hit five run homeruns in an effort to achieve plan solvency through overly aggressive asset allocations. For those of you who aren't baseball fans, there's no such thing as a five-run homer.

We respectfully urge you to expand the phase-in to include contingent phase-in based on negative plan experience. The voting process. We, at the International Teamsters, want to see a meaningful, participant, and beneficiary voting process that is consistent with the provisions of MPRA. While the proposed and temporary regs issued just last week offered more detail about how the process will work, we continue to have concerns. First, we note that the MPRA statute provides for a vote by 'all participants and beneficiaries.' There is no limitation, and all means all.

In the face of Congress' broad statement of who may vote, the proposed regulation defines 'eligible voters' as 'all participants and beneficiaries of deceased participants.' Respectfully, we believe, the IRS has overstepped its bounds on this point. There is no ambiguity in the statute, and therefore, no interpretive role for this agency to play. The limited definition will dilute the voice of the rank and file, and we urge you to modify the definition, the final regulation to match what Congress said. Even after last weeks' guidance, it seems unclear how much effort must be taken by the plan sponsor to find everybody. We think more guidance should be given regarding what constitutes reasonable efforts in this context.

Finally, the retiree representative appointed by plan sponsors needs to be independent of those who appoint him or her. The final regulations should elaborate on that independence. The proposed reg states that the role of the retired representative is to advocate for the interest of the retired and deferred vested participants and beneficiaries. It would be better if there was more emphasis placed on the independence that the retiree should have from the plan sponsor that appoints the representative. He or she should not lack like another trustee. Since the plan sponsor selects the representative and pays the professional fees, there is a danger that the representative may be unduly influenced by the plan's trustee. They are seeking approval to make cuts; therefore, the IBT would like to see a stronger statement in the final regulation regarding the independence of the retiree representative and his or her role in the process of benefit reductions.

I do have some suggestions for you, if you'd like to hear them now on that, on the voting process. As we know, under the National Labor Relations Act and the Railway Labor Act, the NNB and the NLRB conducts voting by telephone. We understand what the trend is, and we understand the State of Oregon there's online voting, but the points made earlier here today, many of our retirees don't

have access to telephones or computers. There is no reason why you could not have a paper ballot with just an earlier deadline to do it. It can be done.

On the retiree representative, I humbly suggest that this panel select groups of retiree advocate candidates who would submit applications to you and you would vet them as part of your further defining what the role of the retiree advocate would be, and then require any benefit fund that needs to appoint a retiree advocate to appoint from your panel of candidates. Thank you very much for your time.

MR. WELLER: Mr. Murphy, I have a couple of questions for you.

MR. MURPHY: Never give an Irishman an opportunity to speak again.

MR. WELLER: You mention the contingent reduction.

MR. MURPHY: Yes, yes, yes.

MR. WELLER: One of the concerns that we have about a contingent reduction is how it flows into the voting process and peoples' understanding of what's going on. If, for instance, a person is told the reduction is going to be 30 percent, but maybe it will be 35 percent or maybe it will be 40 percent, and we'll see, maybe it'll be 50 percent. How are they supposed to do a reasoned vote for or against the reduction if they don't really know what it's going to be?

MR. MURPHY: Well, let's look at the flip side of that. Under the statute, it proposes annual determinations for the so-called benefit restoration. If the flip side of that, we think that the cuts that's using the statutory language that cannot reasonably exceed the amount required to achieve solvency based upon current language and current thinking, from what I understand. That provides an incentive for the plan to cut as much as possible so they can achieve solvency. They won't have an opportunity if circumstances change to do it all over again. I believe that the chances of benefit improvement are unlikely.

So that's why we think a contingent phase and a benefit reduction will ease the shock of the reduction instead of decreasing by \$100, maybe it's \$50, and two years later, maybe you have to add another \$25 in, but at least it's less than the open cut that is contemplated by this statute. It's a suggestion. We think it has some merit. It's all about easing the pain that you're hearing about today from these retirees. It's not a solution. It's just a less drastic measure.

MR. WELLER: Let me ask another question on voting. The beneficiaries, if you're an active employee and you're married, say, your spouse normally has protection. If you were to die, there would be a pension.

MR. MURPHY: Yes.

MR. WELLER: So you're saying that every active employee's spouse should be voting?

MR. MURPHY: No, no, no. The statute said all. That puts a real burden on the pension plan to find all participants, including the people who are vested but have left employment, have not applied for a pension. Their obligation is to seek them

out. A spouse of a deceased participant would step into the shoes of that participant. I'm not suggesting that they'd be two votes coming from that household. But we think all means all, and if this law, which undercuts ERISA, calls for a vote, which may not be meaningful because of the systematically important escape clause, we think the obligation on the pension fund is to track everybody down before a vote is scheduled.

MR. WELLER: The way we wrote the regulations talked about the beneficiaries of deceased, so they do step into the shoes. What I'm struggling with, are you suggesting beneficiary of live --

MR. MURPHY: No, no. I apologize if I wasn't clear.

MS. MARSHALL: Is there some other group of beneficiaries?

MR. MURPHY: Pardon me?

MS. MARSHALL: Is there a group of beneficiaries that you feel the regulations don't give a vote to that you'd like a vote?

MR. MURPHY: No. What we feel by changing the definition that's in the statute, you provide less incentive for any pension plan to make a full court press in finding everybody. We think that's something you should tighten up and close. In this town, god knows, people take advantages of loopholes all the time, so we think it should be closed.

MS. MARSHALL: I think we're a little confused, so we just want to understand the point because there are requirements for people to do outreach and find individuals the addresses are wrong, and you feel that, perhaps, that should be -- I'm hearing that should be strengthened according to your view, but that's different than saying that beneficiaries of people who are currently living should also get a vote because that does allow the double count, and that --

MR. MURPHY: If that's what you heard, I did not mean to say that.

MS. MARSHALL: OK. Thank you.

MR. MURPHY: So I apologize.

MS. MARSHALL: No, we appreciate the clarification.

MR. MURPHY: Right, OK. So I apologize if I caused some confusion on your part.

MS. MARSHALL: Thank you.

MR. FEINBERG: Thank you.

MR. MURPHY: Thanks.

MR. FEINBERG: Tom Loper. Is Tom Loper here? Mr. Loper?

MR. LOPER: I want to thank you all for having me up here and giving me a chance to speak. What everybody else has said I've listened to and they are great, so I'm going to tell you my story. I started in the Teamsters in 1961. We negotiated a contract that year -- it was for \$1/\$1/\$1 for three years, and all our

contracts at that time we wanted three year contracts. OK, we got the \$1/\$1/\$1 which was great, but everybody was worried about their pension, so the next contract we did a three year contract, \$1/\$1/\$1, quarter in our pockets, \$0.75 out of the dollar each year went into the pension fund because we were Guarantyd for the rest of our life a pension.

We looked at that as we was trustworthy and we said, we know that Mr. Hoffa has fought for this, Mr. Hoffa Senior, and we feel that we were protected. At the time we also had medical. In '93 I think they said the medical went bankrupt, so we were out of that. Now then all of a sudden our elected officials, who we have backed since they began, and our Teamster members have got together and they're trying to steal our pension on top of our health and welfare which I don't feel is right. It's something I've worked for my whole life. I'm over 30 years in the Teamsters.

I was a business agent. I had a lot of companies that wanted to come into the pension fund, but they wanted -- at that time there was a C4 and C6 -- they wanted to negotiate the C6 which was a lower pay-in and you got less money coming out. They told me there was no such thing. That's what the international told us, no such thing as a C4 anymore. It had to be the C6, the high pension or nothing.

So, like I say, 30 years I paid into it. I fought for it. I believed in it. I trusted people. Then all of a sudden now, and like I say, it's just like my elected officials in Ohio. I cannot believe that they would turn around after all the campaigning and voting I did and everything for them, and they try to steal my pension, who, you know, is going to put me in a position where that I'm going to have to make up my mind whether I want to eat, buy my medicine or pay my co-pays to my doctors. My doctor's co-pays are going up every year.

Every year it's more money. And they've always got a reason why. My medicine is going up. My medicine -- I have some medicines that the co-pay for the medicine is \$400. That's hard to do.

And if they take 60 percent of my pension, there ain't no way I'd be able to get it. So either I'm going to have to go on Mr. Obamacare and get it free from him, or I'm just going to have to quit taking it.

Or my wife and I, who is sitting down here, is going to have to quit eating. And that's my great-grandkids, my grandkids, my daughters.

I had a son and a grandson that I lost to drugs because I felt -- and I feel it is my fault -- because I wasn't home with them to teach them the right way. When I was hauling cars for 20 years, we would load on Saturday, we would leave on Sunday, no later than Monday at 8:00 and you was gone to the East Coast until Friday evening.

You would get back -- it was every week for 20 years I did that. When I drove for Carolina Freight, they would leave you sit home for days, six days.

You can't sleep for five or six days, so you go to bed. And as soon as you got to bed you get a phone call saying "be here in two hours on the road or you're going to lose your job."

That's the way they did me. I did that, you know? I hauled gasoline, I hauled steel, I hauled freight, I hauled cars, you name it.

If I haven't hauled it, it's not to be hauled. And like I say, I trusted too many people, I think. And I want to thank you. It's going to be a short one for me. Thank you very much.

MR. FEINBERG: Thank you, sir. Tom Krekeler, I think I have it right. If not, you'll correct it. Tom, come on up.

MR. KREKELER: Good morning, good afternoon and I know it's 5:00 somewhere. Thank you for allowing me time to speak to you today about this very important topic.

I know you have already heard a lot of information and I appreciate your time in listening to my plea. I worked for 30 years in the Teamster industry. Along with my family, I made many sacrifices during those 30 years to remain working under the Central States Pension Fund.

Concessions were made many times. These decisions were made because of the promise by Central States for my lifelong retirement pension check. We were assured we could rely on our pension check, that we would have no cost of living increases, but it would always be there for the rest of my life.

Life isn't fair, but this is a hasty action by Central States. It is more than unfair. It's a betrayal. It has no integrity. It lacks any thought about alternatives. It focuses on hiding the past mismanagement of our money. And it is trying to switch the blame onto fewer union workers and lower rates of investment income. I was raised to live my life with honesty and hard work.

I served my country in the Army and I have always been a productive and honest employee. I love this country and never expected to see the failure of our elected officials to support the middle-class working man in America.

The dignity of retirees will vanish if pension funds are allowed to reduce benefits. Retirees live frugally, and we only ask for our government to allow us this lifestyle that was promised to us for our entire working career.

I ask you if you were old and suddenly you had half of your income taken away, how would you awaken each morning? Would you have any motivation to get out of bed, only to face hunger and no medicines, since you can't afford either one? Are you aware that Central States is proposing pension cuts that are up to 50 percent of our monthly check? You folks are younger than us. You have jobs.

You still have opportunity to make plans for your retirement. We are old. We have health problems that keep us from any real employment. We don't have any choices anymore. Please try to understand the situation that pension cuts will have on the elderly.

We paid our dues for our entire working life. We have no choice about how Central States' invested our money. That was on their shoulders. Now they want to put it on our shoulders since they were reckless and didn't put our interests first, which was what they were paid to do.

Central States needs to stand accountable for their problem, not the retirees. I am not convinced that Central States has thoroughly investigated other alternatives to their so-called crisis situation.

My research has shown me years of fund mismanagement, very large salaries, conflicted interest in investment decisions and a refusal to change this behavior. I ask you to take the time that is needed to investigate these situations for yourself before you hand down a decision in favor of Central States.

The lives of so many families depend upon your decision. It is my understanding that you have 225 days to review their information. Please take every day available. Allow our elected representatives time to regroup and research this situation themselves.

Allow other government agencies time to become involved. Allow us time to continue to work against this action to fast-track our pension cuts.

A decision that affects the entire future of so many Americans should not be made hastily. Please take your time and remember what the outcome of your decision will bring.

My dad had always told me if it doesn't feel right in your gut, then it isn't the right thing to do. So I ask all of you, does this feel right in your gut? Who was the biggest lobbyist for the passage of the Multi-Employer Pension Reform Act? Why is Central States so quick to try to cut our pensions?

Think about this a lot before you assume that Central States is up and up and that there isn't any other way to resolve this problem. Thank you very much.

MR. FEINBERG: Ladies and gentlemen, just a few comments from me on Tom's statement. First, Tom mentions what's in the Central States plan. We haven't seen it.

There's been no submission of a Central States plan. We're still waiting for submission of a Central States plan. Secondly, yes, we will not engage in a hasty review. And third, we expect input during the time that we're reviewing this plan.

It's public: the plan will be posted and available. We expect input from the people in this room about that plan. What they can live with, what they can't live with, what they have concerns about.

Again, we assure you, this panel, you will have input into the evaluation of that plan, if and when it is submitted, which it has not yet been submitted. So I want you all to know that. Randy DeFrehn, National Coordinating Committee for Multi-Employer plans. Mr. DeFrehn?

MR. DEFREHN: Thank you. Good morning. Hi, everybody. Before I get started here, I want to just make one comment, and that's that in listening to you

and what you say about your situations, I have been involved in this field for the last 40 years.

I have been a fund administrator. I've been an actuarial consultant. And I have worked on behalf of your trust funds and you during those years. I understand the situation that you're faced with right now.

And while I don't intend to stay here and re-litigate what happened in the process over the past four years, I did want to mention to you that the objective of what got passed last year was to provide you with more than you would have received under the law the way it was written because plans that -- although people like to talk about the anti-cutback rule, you have to recognize the fact that since 1980 the rules governing multi-employer plans that become insolvent require that those plans then reduce benefits to the amounts Guarantyd by the PBGC.

The maximum amount payable to someone with 30 years under the PBGC is about \$12,870 a year. That's it. That's a formula. You can look it up in the law.

The whole intent of the law that has passed -- and Mr. Feinberg mentioned this earlier -- is that for plans that can provide better benefits by acting earlier to keep the plans solvent, and it requires that those benefits be higher than what the PBGC would pay, then on a voluntary basis, those trustees can elect to apply for this rule.

Most of you are here from Central States. The law has specific rules for Central States that are a little different -- in some ways, quite a lot different -- than what they are for the other multi-employer plans.

That was part of a legislative process and that's how the legislation gets done. But the bottom line on this is that for those plans where the trustees determine that you would be better off allowing the plan to fail and go to the PBGC or where the vote is after the process is completed, where the vote by the participants determines that you would rather allow the plan to continue as is until it becomes insolvent, then that is up to you with some exceptions for some very large plans.

It's up to the participant and those votes are binding. So I just wanted to let you know that in advance of my prepared comments that the intent -- and this was a process that was engaged. It was about an 18 month long process with stakeholders from trust funds from labor unions.

Virtually the entire universe of multi-employer labor unions and employers who got together and worked through a series of recommendations that produced what you're looking at today. But again, voluntary on behalf of every trust fund that decides to do this.

And only when the trustees determine that you'll end up with more than you would have had the plan become insolvent and you go to the PBGC. That \$12,870 number I quoted earlier is based on 30 years of service.

And so if you have less of service, you get a smaller amount. So this whole notion here was after many other attempts to get Congress to do things -- and I'll

mention this in a moment -- to get Congress to take an action, unsuccessfully by the way.

This was what we were told we were left with. "Fix it yourself." We were told that directly. I was told that directly in testifying on our issues by both the ranking member and the Chairman of the House Education and Workforce Committee.

Now with that, just like to make a couple of comments. The NCCMP has been around for a long time. Since 1974 we have been there to look out for the trusts and the participants and try to make sure that the rules that the government comes up with are administrable and that they allow plans to do what they're intended to do, which is provide benefits to our participants.

I just wanted to mention in addition to what we know and what people think of with multi-employer plans, trucking, construction, these plans are across the board. Other industries include things like airline, agriculture, building and construction, bakery and confectionary, entertainment, health care, hospitality, long shore, manufacturing, mining, office employees, retail, wholesale, food production, service, steel and trucking industries. When you talk about multiemployer plans, we are not just talking about construction and trucking, we are not just talking about mining, but we are talking about a lot of different industries and a lot of different occupations. The people bag your groceries for you, the aides at the nursing home. And all of those plans have different needs, and the law that's crafted was done in a way that allows some flexibility to recognize the differences among those industries.

I don't intend to go through and rehash what our written comments had included -- those are part of the record. But I did want to expand to two points that I think are important for you to consider. One is the vote. You've heard several people talk about the vote, about the system that's been proposed here, this is really an important part of the process, with the exception of a small number of plans whose size is such that the vote can be overwritten by the Secretary if the plan is that large.

This allows participants to have a hand in deciding their own future. We note that the temporary regulations specify that paper ballots are not permitted. The regulations state that voting would be permitted via website or telephone only. While we understand that such means are more efficient and cost effective, we are also acutely aware that many of the populations served by multiemployer plans, including especially those that are already retired during an advanced age, are not computer literate, and find that even using a telephone can be confusing and intimidating, having to input not just the vote but the number itself, and their unique identifying number.

Now because these plans are across a whole host of different industries, we understand that those in white-collar jobs who are used to using computers, this might work for you, but there are a lot of other people who are in unskilled jobs and manual jobs that don't require the use of computers, and particularly for the elderly, even telephonic problem -- telephone voting might be a problem.

So, we would strongly recommend that you reconsider the ban on paper ballots and do it on an industry-by-industry basis. If it's clear that we are talking about professional engineers, for example, that might not that might not be a problem in using your modified and streamline version, but for others we would encourage the use of a paper ballot.

Now, the second part that I'd like to comment on deals with the ballot itself, and in looking at the elements that have to be included in the ballot, we note that one of them is a summary of comments proposed by people in opposition. Now, we have no problem with that, we encourage the kind of openness and the discussions that should be taking place among trustees and participants.

On the other hand, we also recognize that the process that's going to be involved with the trustees to develop the plans, the proposals, and only those plans that are headed for insolvency, or even eligible to participate in this process, they'll have to go through this with their actuaries, they'll have to vet this process with the government, and the Treasury Department will have reviewed all that and made the determination that, yes, all reasonable measures have been taken.

On the other hand, a lot of the comments that will come in will be based on speculation, on what might be enacted, what kind of laws might be enacted, versus what the reality is. And we would just encourage the Department, as you review and make those summary statements, that the summary be based on what is fact, and where it's speculation that anything referred in the Statement of Opposition is very clear in identifying that that is speculation, and may to necessarily come to fruition.

So, with that, I appreciate the opportunity to be here, and to comment on these proposed regulations, and I looking forward to working with you in the future.

MR. FEINBERG: Thank you very much.

MR. DeFREHN: Thank you.

MR. FEINBERG: Frank Bryant. Frank Bryant of the North Carolina Committee to Protect Pensions. He must know Davey Grubbs, I bet. Mr. Bryant?

MR. BRYANT: Davey Grubbs is our Chief Legislative point man.

MR. FEINBERG: Into the mic.

MR. BRYANT: Good morning. My name is Frank Bryant, I'm one of the Co-Founders of North Carolina Committee to Protect Pensions, formed in May of this year to fight these terrible pinching cuts allowed under the Multiemployer Reform Act of 2014. I'm here today with hundreds of other retired Teamsters, here by the bus-load to protest the injustice of the cuts allowed under these horrible -- under this horrible legislation and to testify at this hearing.

Treasury regulations cannot rescind the law. I know that, but I asked you to do all in your power to lessen the damage that will be done to hundreds of thousands of families in the Central States Pension Fund, and more in other

funds. I am 73 years old, in very poor health, and unable to go back to work. If these cuts place, I probably will not be able to afford the insurance to buy the medications that help me stay alive.

This outright theft of my pension is just plain wrong. My pension supports my immediate family -- my older sister, and my disabled son. If these cuts take place, our three households will likely go on public assistance. Please do not allow this injustice to occur.

I drove a truck for UPS for 31 years, and retired from this back-breaking, bone-crushing work in 2003, after wrecking my health and ruining my joints from getting in and out of that little brown truck hundreds of times a day, day after day. I did that till my knees wore out, did it for the rest of my career, I drove a tractor trailer in every kind of inclement weather. I sacrificed long hours away from my family because of this job.

But what kept me going was knowing that at the end of my career I was going to be able to live comfortably in my retirement. After all, a that pension is something a company gives you for free. No. It was negotiated by the Teamsters Union, and I gave up wages and vacation pay so I could get that monthly pension. That was a promise, a contract, something I was told that could not be broken.

We feel betrayed and angry that at the end of 2014, Congress passed MPRA, sneaking it into the big spending bill, and ignoring all of us. I strenuously object to this unfair legislation that will allow Central States to cut up to 60 percent of our pension. This pension was not given to me, but was deferred compensation expected to be paid 30 years down the road.

To cut my pension now, after all this time, is as unjust as it would have been to steal part of my paid wages 30 years ago. The principle is the same. So here is what I think. If benefit cuts are necessary, cut all participants equally, not just retirees. We shouldn't be taking the biggest hits. Before MPRA, retirees had the most protection under the law. After MPRA, retirees like me, and you, have the least protection under the law.

What kind of government allows the books of a pension fund to be balanced on the back of its retirees? It's financially its most vulnerable participants. If this isn't illegal, it should be. Our government ought to be our protector, not our oppressor. I ask that the Treasury Department do all possible to protect the retirees, not oppress them.

Retirees had no voice for voting in the Teamsters Union; therefore they can be given the short end of the stick so to speak, unless regulations prevent that. We retirees deserve all the conservation the Treasury Department can give us in deciding how to implement the so-called rescue plan. If you ask me, that's more of a demolition plan.

On December 9, 2014, the Democratic Senator Tom Harkin, Chairman of the Senate Health Committee, stated for the record, "This legislation, MPRA, asked the retirees to take potentially enormous pension benefit cuts, that were earned

and promised without effectively preserving the pension benefit system going forward." Truer words were never spoken. I'm asking Treasury to implement MPRA in such a way as to not just cut retirees. Would it not be more fair and just if necessary to cut benefits at all, to cut equally the benefits of all participants.

Do not approve Central State's Rescue Plan, unless it effectively preserves the pension system going forward. Some other ways of doing this should be to require the Central State trustees reduce other expenses before they consider the reduction of retiree benefits. This could include reducing the salaries of plan officials and trustees.

Require reduction of fees paid to investment management firms. Reduce the fees paid to lawyers, actuaries, and other consultants, and considering vote requirements. I want to thank you for at least considering us in the voting process by listening to us and ensuring that we do get the ballots by first class mail, that was a good move.

This is good since a lot of us really aren't good at getting emails, I would like to suggest that for a vote to be validated there must be proof that a majority of all active workers, which include retirees, deferred vested participants and beneficiaries have received their ballot and cast it out. Make sure that this vote is valid, and a lot of us are fearful about your new rules on how the vote can take place.

Once we get a ballot, either electronically or by phone, as I've always said, a lot of us aren't very good at computers, and casting a ballot by phone, really, I wear hearing aids, and I'm a bit hard of hearing, especially on the phone, and I guess a lot of us are.

Driving all day with the roar of the engine in our ears has probably made us all a little hard of hearing as truck drivers. It seems like most of these messages are flawed. Why not have us send in the ballots by mail, if we are going to receive them by mail, let's send them in by mail. That's how we've done it all of our lives, why isn't it that good enough now? And please don't tell me that it's too expensive, the government should be doing something that can -- everything they can to protect us, even if it costs a few pennies more.

Also, now as far as the Central States' Recover Plan to suspend, what this actually means is to permanently cut the pension of retirees in six months, they just can't wait to get their hands on our money. They changed the request from nine months to six months. Central States wants only six months to permanently cut our pensions. Well, since that notice can be changed, I request to Treasury will give these retirees 24 months to adjust to their new lower living standard, from their pre-cut middle-income standard to their post-cut poverty-level standard.

The extra time will give retirees time to adjust to the theft of their earned and promised pensions. And (inaudible) investment said about the retiree representative, we retirees do need a representative that represents us, instead of the trustees.

And finally, I know this is out of your jurisdiction, but I can't believe that we can't sue. We are fighting mad about this, and I think it violates our basic rights. I request a Central States application for implementation of MPRA of 2014 be thrown out with a refusal to give it a hearing because it isn't worth hearing and should never have been put on the books in the first place.

Do the right thing, and restore ERISA laws and project retirees and not pension funds. Shame on those who would tell us to accept this theft of earned and promised pensions. We will not accept it quietly. We will not stop fighting. Thank you. (Applause)

MR. FEINBERG: North Carolina is well represented, I'll say that. Thank you, Mr. Bryant. Robin Edwards. Is Robin Edwards here?

SPEAKER: (off mic)

MR. FEINBERG: Thank you. If he comes back, we'll put him on the list. Thank you. Robert Amsden, Amsden, Mr. Amsden.

MR. AMSDEN: Thank you. I need to gather myself for a moment. And I want to thank all of you. I really do. We have worked tirelessly and hard to get this hearing. For people that don't know about this, it's unbelievably sad, and they will not hear about it, because some of them will die before they get to see this happen.

And I would like to take a moment of silence for the Missouri Committee person, Jim Miller, who took his life two weeks ago because of this potential cut in his pension. That he couldn't take it no more.

You see, you are dealing with lives, Mr. DeFrehn, real lives, families. Look around the room, talk to these people. Don't talk to actuaries who know numbers, talk about attrition. I Guaranty you 10 percent of these people won't be in this room the next time you have a hearing. We are dying by the numbers, they've busted their asses their entire lives in equipment you can't even fathom, they have missed the birth of their children, they have missed anniversaries, mother's days, Christmases, holidays, in the name of chasing that carrot down the road.

Our golden parachute was our pensions, damn it. Attrition is something that is real, it's not a bean counter's number, nobody talks about it, they don't want to hear the truth. I was told to control my language today, so I am going to really, really try.

We are truck drivers, we are dock workers, we have worked hard to supply this country with the goods they need every damn day of the year. This country would not be shelved with food, clothing, anything, if it weren't for these men and women in this audience. You should get up and thank every one of them for the suit you've got on your back. And I mean it.

I sat right in front of all of you, and I heard your snickering and your little, "who's that", and "who is she", Mary Packet, you know her. You know her an hour, and you are going to know more of her. \$764, the cost of a suit, a nice tie --

yes it is a nice tie, I admire good ties, I really do. I'm a big fan of Jerry Garcia ties; they just are awesome.

That lady sitting right in front of you. Merice Maple Lindsay please stand up. Hurry, they are waiting. Her suit is 12 years' old, she got it at a damn -- What do you call them?

SPEAKER: (off mic)

MR. AMSDEN: I love looking at people who look back at me. Thank you, Mr. DeFrehn. I do not like people who kick me in the ass and kick my fellow brothers and sisters in the ass. We have worked damn hard for everything we've gotten. We have had companies close the doors on us. We have gotten up and got another job. We have had companies move our families, four, five times in a "change of operations", they call it. You pick your family up and you follow the job, all in the name of chasing the pension that we were promised and Guaranteed. Contract after contract, strike after strike, we fought, and we are going to continue to fight.

This is like Gideon's army, damn it, there may be 300 in this room now, but we Guaranty it's going to keep getting stronger and stronger every damn meeting we have. You speak of excessive wages that we earn that close these companies' doors. Bullshit. It was the management mismanagement of every company we've worked for.

Every one of them, mismanaged companies. Their salaries were outrageous compared to our hourly rates. They never touched the top of a trailer when it sat in the yard for a week; it came from California to the East Coast and sat in the sun, and you went in there and open at door at 2:00 a.m. and unloaded. And you kept doing that.

You never hooked a tractor trailer in the yard when it's 30 below zero, when you've got ice and snow dripping on your head. You never sat in a tractor that didn't have power steering, didn't have air-ride seats, didn't have an exhaust system, or a nice quality sound deadening in there -- it was a constant roar. And we move that freight across this country when the interstate system was built to move commerce. We deserve better from our government than what we are getting now.

Somebody brought up the salaries of Central States, there are 37 of the top executives. They are double-dipping us, they are taking payment from the Central States Pension Fund and the Central States Health Fund, all in one damn move. That's 37 of them, and there's 300-plus in Central States employment system. This totals to \$8,298,000; my pension was \$36,000 last year.

I took a 6 percent cut when I retired because I was 56 years old. My 33-plus years didn't matter, I still took a cut, and now you want to cut it some more. When does it stop? When we are all in the damn grave? Is that good enough for you guys? Because trust me, I told them to bury me with ass up so you can kiss it. Thank you. (Applause)

MR. FEINBERG: I neglected to mention, Robert, that you represent the Wisconsin Committee to Protect Pensions. Go ahead.

MR. AMSDEN: We are also looking for the help, in a one-time goddamn truce in 30 years, including (inaudible). We are asking for truth between you guys (inaudible). Enough is enough, let's get this pension back in our pockets where it belongs, please. Thank you.

MR. FEINBERG: Thank you. Tom Ruwan. Is Tom Ruwan here, please? Tom, come on up.

MR. RUWAN: Tom Ruwan, Cincinnati, Ohio. I'm going to be real brief with it. We've had enough information on what's going on with the pension fund. I kind of like to address the effects of what's going on. We mentioned the laws -- that's been mentioned several times -- and that quite instills fear in people, when we talk about the law. That we are a land of law and we have to abide by the law, and that's true, but none of our laws are immune to challenge as this one.

The unfortunate thing is it takes time, which isn't on our side. The other thing it takes is money, which also isn't on our side. So with that, we count on the people of the panel to take our word to lawmakers.

My other point is, I'd say quite a few of the men and some of the women in here, serve this country in the military, and often in times of conflict, subjected to combat. I know several of them. And after the military, entered the civilian world to pursue the American Dream. One of the things of the American Dream was to secure a pension, not only to provide for us in our elderly years, but also help our children and our grandchildren. Unfortunately that's being attacked.

I was listening to a former senator, a Republican Senator from Oklahoma, speak, who retired because of illness, and he made a comment, he was unpopular because of his friendship with our president. And he made the comment that unfortunately too many of our lawmakers are passing laws and making decisions on what benefits them, and not the people they represent.

The passed laws that we've passed have had disastrous effects on different portions of our society, as this law will have down the road. We fail to look into the future and get an understanding of what we are creating. I think you could almost be blind living in this nation today and seeing we are heading down a disastrous path, with the laws that pass for deunionizing labor, which is union labor that built this country, made the middle class.

I'm not going to continue to go on. What I would like to say is that I've served in several industries. I did 13 years active duty military; I've worked in the oil industry, which ended with the deregulation of oil. I worked in the aviation industry; which also ended and came to a halt due to economic hard times. And at the age of 41 ended at the trucking industry; and I can tell you people, it's the most difficult industry I've ever worked in.

We appreciate your time, and we appreciate you taking our concerns to the lawmakers. Thank you. (Applause)

MR. FEINBERG: Thank you. Paul Flacke. I think it's Flacke. Paul, are you here?

MR. FLACKE: Yes.

MR. FEINBERG: Come on up.

MR. FLACKE: My name is Paul Flacke. I'm a former warehouse worker at Kroger, in Cincinnati. I was also a member of the Executive Board of Teamsters, Local 661 for 21 years. I served as an organizer. I served as a business agent; I served six years as president of the Local. The Local no longer exists; it was merged with Local 100, but I had 32 years in under the pension plan. I got hurt at work, which left me disabled; I could not return to my job.

I was forced to start my pension. It took me two years to get Social Security disability, and in that two years I had to depend on that pension for income. I got the notice of these possible cuts. I help negotiated some of the contracts that help boost these pensions, and I know the sacrifices that were made to put that money in there. So, I immediately got to thinking, well why is -- why was the pension plan in so much trouble? The way I understood it, the increases were supposed to be enough to build the fund over the years to get to a point that it would be solid for its life.

So I, right away, got out some of the notices over the years, that I got for Central States Pension Fund, which I have a bunch of them here from 1999 to today. And I got to looking at some of these costs that were listed here, like \$74,000,988,808 and other expenses, primary investment management fees, OK, for that year we had \$2,544,000,397,662 increase; so I got to thinking about that. OK? So, we got this increase of all this money and it has to be invested.

So, I called my agent that handles my investments, and I said -- I asked him, I said, what's the normal fee for investing money? He told me it's 1.2 to 1.7 percent. OK. So, I was looking at 1.2 -- 1.7 percent and I'm -- and he also told me the higher the amount that's invested, the higher the amount that's invested the fees go down. The percentage goes down.

So, I'm looking at this and I'm trying to calculate that out, and I'm looking at \$74 billion, almost \$75 billion in fees for this, and I'm saying, how can that be? How can that be? And I got to looking at all the farther years, and all the years after that, and I see the scenario year after year after year, we are talking about millions of dollars that are being charged against the Fund, for moving our money around. Why are they moving our money around?

If they are moving our money around all this time, it's just to generate funds for themselves. That's a breach of fiduciary duty. That's a violation of the ERISA Law. If that law has been violated the trustees have fiduciary duty on each other to make sure that that's corrected. Why has it gone on for 30 years? If we had grown that money, we wouldn't be in this condition right in the Fund.

I think we need a Congressional investigation to go back and look at all of this. Especially if this money is recoverable under the ERISA Law, then maybe it will help fund the fee -- fund the Fund now, if it's recoverable. If this money can

be made paid back, then we won't be in this condition. And that's what I'm asking you to look into. That's why I am here.

I listened to Mary's thing down there. I think this whole thing has been mishandled, and it hasn't been looked at by the government. The government is supposed to be overseeing this too. And we are supposed to have a District Judge or a court, that's supposed to correct things that are wrong. Why is it not being done? Why hasn't it been done? That's what I want to know. And I think all these people who are here would like to know that too. And that's all I have to say. (Applause)

MR. FEINBERG: Thank you. Harold Gregory. Is Harold Gregory here? Harold Gregory?

SPEAKER: We do not see him.

MR. FEINBERG: Will not be here. Eli Greenblum? Is here Eli here, from the American Academy of Actuaries? Eli, come on up.

MR. GREENBLUM: Good morning, everyone. Good morning, Mr. Feinberg, Distinguished Members of the panel. I'm here representing the American Academy of Actuaries. Our mission is to serve the public and the U.S. actuarial profession. And we have about 19,000 members.

We submitted comments, the Multiemployer Sub-Committee of the American Academy of Actuaries submitted comments, and I will briefly summarize those, but you have the details of those comments on your post-it. We acknowledge the thoughtful and thorough effort by the Departments, Treasury, Labor, PBGC that developed the proposed regulations. And we appreciate the opportunity to have submitted comments, as we did, and to be here today on the proposed regulations.

We submitted comments specifically in areas that have an actuarial impact, actuarial components to the issue raised, so by nature these will be technical comments. And I'll briefly summarize them. There are five of them.

First has to do with volume of information; the proposed regulations calls for a large volume of required information to be submitted. That's good, but on the other hand it will take considerable time and resources from the plan, resources that the plan would otherwise be able to commit to benefits. We think that's specifically a concern for small plans, so we would ask the Treasury to consider whether some of the items required might not be necessary for making a determination to approve or deny, and we gave some examples specifically in regard to sensitivity testing.

And there's one particular technical aspect that we encourage you to clarify, and that is on the projection of the funded percentage, because as actuaries read the regulations, their concern that they may need to prepare individual year, closed group projections for each of the years in the projection period, rather than one open group projection, so we would appreciate if that could be clarified.

The second comment is really a logical extension of what's in the regulations, having to do with the annual certification that the plan sponsor has to make to determine that the plan is not projected to avoid insolvency, unless the suspension of benefits continues, or another suspension of benefits is made.

If the experience in the period, prior period is unfavorable, so that the plan is no longer projected to avoid insolvency under the current suspension, the proposed regulations do not require that the plan sponsor increase the level of suspensions, so the plan would be projected to be insolvent -- projected to avoid insolvency. Once again there's some flexibility having to do with the potential for yet another suspension. But they don't -- the regulations do not make it clear that the suspension shall remain in effect in the event that unfavorable experience creates a situation in which even the maximum suspensions would not be sufficient for a plan to avoid insolvency.

However, in that case, of course, the plan could consider a partition, so we would suggest the language change so that the regulations would instead require that the plan would not be projected to avoid insolvency if the suspension were eliminated. And of course, if the plan could avoid insolvency, if the suspension is eliminated, then by all means, the suspensions should be eliminated.

That makes sense. The third topic is what we call -- actuaries call the Goldilocks Rule, having to do with the degree of precision around the benefit suspensions. And specifically having to do with the nature of the 5 percent dollar amount of the proposed suspension as the wiggle room. Whether or not that's too narrow, let's put aside, but we are concerned with how that works, we made a couple of suggestions.

One, that the 5 percent rule could be a safe harbor test. Two, that the stochastic projections, much more refined projections could be used if you would indicate the degree to which the stochastic projection could be used to satisfy that as an alternative demonstration.

And also, as referred to earlier, that we are concerned that those plans are making a bigger percentage cut, seem to have more wiggle room. So, for instance, a plan that does -- let's assume that there's a 60 percent cut -- they would have five times the wiggle room that a plan would, if it were only a 20 percent cut. That's percentage wise, as compared to the ultimate benefit.

So, we made a suggestion, having to do with the 5 percent being applied, instead of to the amount -- the dollar amount of the cut to be applied against either the original benefit or the amount of the post-suspension benefit. And we think that will provide greater consistency across plans. And I'll stop there if there's a question.

MS. JUDSON: You did not make a recommendation about what that percentage should be, however. Do you have one?

MR. GREENBLUM: No. We don't have a particular -- I mean, that's a policy decision that you made, we just think that if you are going to go with the 5

percent, you should do it in a way that's more equitable and consistent across plans.

MS. JUDSON: Right. And as you heard, we also asked the Pension Rights Centers instead to comment in a similar area to provide comments on here.

MR. GREENBLUM: Of course. That's good. The fourth area has to do with reliance; we are actuaries; we do certain things very well, but one of the things actuaries generally don't do is know the minds of the plan trustees and where the plan is going, so PPA and MPRA recognize that, and allow the actuary rely on the plan sponsor to provide information on employment and contribution assumptions, having to do with the future for that plan.

A similar situation exists here, if there is going to be a stochastic projection, which is required for large plans, stochastic projection require capital market assumptions including such things as expected returns variances and co-variances among investment classes. Actuaries typically do not have the expertise to do that.

We would like the final regulations to indicate that the actuary can base those capital market assumptions for the stochastic projections on information provided by a qualified investment consultant, such as the plan's investment consultant, or some other investment consultant, perhaps that exist within the actuary's firm.

Fifth and final, has to do with the issue of timing. We think this is important that the rules state -- the proposed rule stated that the actuarial projections of cash flow and other things, must be based on the market value of assets as of the end of the most recent calendar quarter. We can't tell whether that means that the certification has to be based on assets of the most recent calendar quarter, or that the actual suspension application must be based on assets of the most recent calendar quarter, and we are concerned that if it's the latter, that does not leave the plan time to do what it needs to do in order to do the calculations, inform the employees appropriately, make decisions about all of the issues.

So, we think it's very important to indicate that the certification that the actuary makes should be based on assets at the end of most recent calendar quarter. You might -- if you are concerned about a stale certification, you might actually impose rules that provide a time limit on the reliance on the certification for use in the application process.

We, at the Academy, would be pleased to meet with you on any or all of these issues at any time convenient. And thank you again for your -- the opportunity and the attention.

MR. FEINBERG: Thank you.

MR. WELLER: Mr. Greenblum, let me understand that last point. If you have someone who was applying today, do you think it's -- and assume they are a calendar year arrangement, do you think that it is appropriate to design the suspension based on -- and the certification that it's going to avoid insolvency

based on last December's asset value, notwithstanding the fact the stock bucket may have deteriorated between December and September 10th?

MR. GREENBLUM: No. I think we are -- what we are saying is we are fine with the most recent calendar quarter, or there may not be an audited financial statement, but there will be information available, the actuary can estimate the asset at the most recent calendar quarter, which would be June 30, in your example. The problem is that you may read these regulations to say that the entire application process has to be completed by September 30th in order to make use of the June 30th assets.

MR. WELLER: And that is how the regulations were intended to be read?

MR. GREENBLUM: Right. So we would encourage you to make it clear that the actual certification, if you want to use the most recent calendar quarter, we understand that, have the actual certification based on -- make it clear that the application itself can rely on a certification that was, for instance, in the prior quarter.

MR. WELLER: I'm still not following that. If the application is today and the certification was done in May based on March 31st assets, isn't that stale?

MR. GREENBLUM: That would be your discretion as to whether you're going to place a time limit on reliance for that certification. So, if a certification is made in the second quarter, you may decide that that certification is only valid for whatever -- another 90, 120 days, 180 days, whatever it is.

What we're saying is that the actuary should do the certification and be concerned about doing the certification for the asset -- on the assets in that quarter -- but that the actuary, of course, does not control the timing of the application, and there's a lot of activity that has to take place, including doing all the calculations and notifications, et cetera. That is going to take time. We don't want plans to rush through that because there's a 90-day window in order to accomplish everything. That's, to us -- and especially given, you know, your statement that you believe you need nine months to review -- well, we think the plan also needs sufficient time to prepare, including the actual certification process. So, I hope that's clear, and if there are other examples, we'd be happy to discuss them with you.

MS. SCIACCHITANO: OK, so your comment only relates to, you know, which time period the certification is valid, not the other information in the application, right?

MR. GREENBLUM: Right. The actual certification should be done timely based on most recent quarter assets but not be extended to the submission of the application.

MR. WELLER: I'm --

MS. SCIACCHITANO: You're saying if we're worried about it being stale, then we should add another rule for how long you could use it, because the rule proposed you could do three years before you come in, right? If you finish your

work, give us the company, and they don't decide to apply for another year and a half, under the rule you propose that would be fine, right?

MR. GREENBLUM: We understand. I mean, this occurs now when we do certifications, for instance, for plans that are in the critical status that make benefit improvements and natural certifications required, and, you know, there's a concern that the certification should not be stale. So, the actuaries recognize that, and to the extent that you'd like to regulate that area I don't think we'll have a problem with it.

MR. WELLER: I'm still struggling with this, I'm sorry.

MR. GREENBLUM: I'm sorry, Mr. Weller. I'm happy to go at it again.

MR. WELLER: The regulation --

MR. GREENBLUM: By the way, this is an actuary-to-actuary discussion, so pardon us.

MR. WELLER: The way the regulations work is all the projections are run off of an end-of-calendar-quarter asset value, and that's -- you use the word "certification." I'm using the word "projections." The actual numbers that are going to be presented to the Treasury Department to evaluate whether or not the suspension is going to do what it's supposed to do, we based on those projections using the end-of-the-calendar quarter of the submission. You're suggesting that that's not enough time, and so how far --

MR. GREENBLUM: I'm suggesting that if I made a certification today based on June 30 assets, which of course are stale as we know, the plan would not have time between my making that finding and September 30th to do all the things they would need to do to submit the application by September 30. That's as clear an example as I can give you.

MR. WELLER: And how long do you think they should be able to do an application based on the June 30th data?

MR. GREENBLUM: I leave that to your discretion, but I can tell you that my making a certification as of the second or third month -- and it really would not be possible, in fact, to make a certification based on the first month of a quarter -- that's simply not sufficient time. So, one more quarter, another 90 days seems reasonable to us.

MR. FEINBERG: Thank you very much, Mr. Greenblum. James Deller. Is James Deller here?

MR. DELLER: Right here.

MR. FEINBERG: You're not going to talk about actuarial data, are you? Come on up, Mr. Deller. Come on up.

MR. DELLER: Thank you. My name's James Deller, and I'm from Cincinnati, Ohio.

MR. FEINBERG: Speak into the mic.

MR. DELLER: OK, sir, I will.

MR. FEINBERG: There you go.

MR. DELLER: Well, I'm from Cincinnati, and my name's James Deller.

So, I would like to convey some of my thoughts and ideas and concerns concerning this matter that was implemented or passed in 2014. I would like to think that the Treasury Department would not implement provisions of the Multi-employer Reform Act of 2014 without a comprehensive study of the impact of this legislation on retirees.

The problem concerning the multi-employer pension funds can be traced back decades, I believe, to the 1980s and beyond by the actions of Congress. The MPRA of 2014 will severely impact hundreds of thousands of workers in this country. There were other options and scenarios to consider, three presented by AARP before inserting into the funding bill at the last minute without much debate and discussion.

It just boggles my mind how things are done in Washington. There are various federal agencies involved in this scenario that were designed to protect the rights and benefits of the working men and women of this country -- the ERISA Act of 1974, the 1982 Federal Consent Decree in PGBC to ensure money distributed to individuals of failed pension plans. The PGBC is an indifferent party to this situation in my belief.

There are federal agencies that I mentioned above that could have done a better job in monitoring this situation. The 1982 Federal Consent Decree allowed the Department of Labor, with approval of the U.S. District Court, to mandate Central States' economists relinquish control of the CST fund to certain investment banks on Wall Street, and we know what happened. Need I mention these banks?

A recent report has found that roughly a third of the pension system shortfalls, or almost \$9 billion, can be traced to investment loss occurring during the 2008 financial collapse. These losses were in addition to more than \$250 billion of fees paid to the CST pension fund, to financial firms, in just the last five years. The CST pension fund is not without fault either for paying excessive fees to Wall Street investment banks to mismanage our funds. What about the banks' culpability in this whole matter? Are they not allowed to invest our funds in their company?

The banks got billions in bailout money from the government and decided to pay excessive bonuses to their employees and indicated that they couldn't break their contracts with them. However, Congress can pass legislation to break their social contract with various unions afforded by the ERISA Act of 1974.

It is my belief that the actions of Congress in the 1980s and 1990s contribute greatly to our pension problems today. The deregulation of various industries and changing bankruptcy rules make it easier for corporations to discard pension liabilities whether justified or not; the breaking of the Air Traffic Controllers Union

by the Reagan administration, thus giving corporations a green light to take similar action and making at will employment the theme of the day.

In closing, I mentioned several situations contributing to the shortfalls of our pension fund not caused by our union members, but yet Congress and different agencies and institutions want to punish us by reducing our benefits, benefits which took us a lifetime of sacrifice and hard work to earn, which was demonstrated today in front of this audience. Congress and those agencies and institutions find it hard to admit they caused these problems with our pension fund. I hope that they recognize these injustices to the people and correct this problem, for we are the people. That's all I got to say.

MR. FEINBERG: Our last scheduled speaker before lunch, Butch Lewis.

Mr. Lewis.

MR. LEWIS: Good afternoon. My name is Butch Lewis. I'm from Cincinnati, Ohio, retired. Thank you for giving us this opportunity to speak to you here today.

I'm here with many fellow retirees from Cincinnati, and we're very concerned about these regulations, about the MPRA itself. I'm a retired teamster and participant with the Central States Pension Fund. We're facing huge cuts to our pensions, which will affect over 400,000 families both active and retired.

I drove a tractor-trailer for 34 years with USF Hauling, six years as an elected official of Teamsters Local 100, retiring in 2013. As president and principal officer, with every negotiated contract under the National Master Freight Agreement, a portion of my hourly wage increase was deducted and applied to the Central States Pension Fund on my behalf to secure my promised pension. I'm now an officer in the Cincinnati Retiree Club, which is the largest in the state, and I can tell you it's heartbreaking to hear how these cuts will affect so many different families in so many different ways.

My wife and I fully funded our children's college education using our savings to do so -- one, because I've always been told by the International Brotherhood of Teamsters and Central States Pension Fund since 1973 when I first started working as a teamster, my pension would always be secured. This was a promise not made just to me but every one of you teamsters in here. If my pension was to be reduced, it would have a disastrous affect for me and my wife. I've had some serious medical conditions since 1969. I've required 32 surgeries on my left leg from an injury while serving in the U.S. Army. September 30 of 2014 I received my third prosthetic implants. Since 2011, I've had three strokes, and I've received radiation treatments for cancer, all of which would severely limit my ability to attain gainful employment. Any reduction in my pension would be devastating for us, and at some point in time we would have to decide between buying food, medications, utilities, paying our mortgage. We'd would have managed our money differently had we made plans for our retirement, had we known my pension would have been reduced in any manner.

The lawmakers who proposed this law -- I heard testimony before Congress -- said we could take a haircut. That's how he phrased it: We could take a haircut.

Didn't care about us losing our homes, our livelihood. We're just going to take a haircut.

The Central States Fund is the largest one affected by MPRA, so I think it's important that you hear from us on these issues. The proposed regulations have some good points but really don't deal with our problems.

First let me talk about the voting. We're to be given a vote under law, but the vote is manipulated from the start. A nonvoter is to be counted as a yes vote. That's in the law. There's nothing we can do about that. There's nothing the Treasury can do about that. But please make it easy for the people to vote, to accept the vote as fair. In a democracy, a vote has to be fair. It also should be accepted as fair by most people.

The regulations Treasury has put forward call for an Internet or phone vote, not a mail ballot. That will never be accepted as a fair vote by teamster retirees. Ask anyone in this room if you think that's a fair vote. I ask you to accept a phone vote if we did it for Congress, if we voted for a congressman or a senator or someone in city council. We wouldn't agree to that, and they wouldn't either, but that's what's been put on us.

In 2013, I ran for reelection of Local 100. I lost by two votes, but it was a fair vote. I lost. It was a mail ballot, and they also received -- when the ballots went out they received that, postage paid, back to the local so it could be counted. The local unions paid for that expense, and we did that every three years forever. That's a small price to pay for a democracy. Our international union mails out 1.3 -- 1.4 million ballots every five years. They have an independent election supervisor, and I appreciate what I heard today, that you are going to do that, so -- that you're going to be the supervisors -- so I won't have to go over that.

Central States Pension Fund, which pays its director \$662,000 a year, states they cannot afford the postage to send out everyone a mailed vote -- a mail vote. How much of our retirement funds has Central States Pension Fund spent since 2010 lobbying for this bill to be passed and how much of our retirement funds have they spent fighting this grassroots effort?

Money should not be an issued as Central States Pension Fund has lost \$20 or more billion of our money since 2004. The pension fund's director's credibility and honesty comes into question once again making such statements. I call for regulation requiring all mailed ballots be impartially counted, which, again, we said that. This election could cost me, reduce my pension, anywhere from \$10,000 to \$18,000 a year. And that postage-paid envelope will, you know, ease the pain somewhat.

As far as Internet voting goes, aside from the trust issues, approximately half of the retirees in our club do not have access to the Internet. Please give us the regulations that will increase voting, that provides the trust to our retirees and members. Give us what the voters across America would expect.

Retiree representative, the law was provided for a retiree representative. The Central States Fund appointed not a watchdog for retirees, but she was nothing

more than a figurehead. She received four separate pensions or a lump sum payouts when she retired. Most of us just live on our Central States pension and Social Security. Most of -- I'm sorry, she will not communicate. She has not met with any of our committees or retirees.

She received three Teamster official salaries before she retired. She had an actuary and an attorney, but we have no idea or input into what they were charged with doing because she completely isolated herself from us. She is not or has not been a representative at all.

We ask the Treasury to draft regulations regarding this new position of retiree rep. It's especially important in the Teamsters, and many other unions' retirees cannot vote. Thus the union leaders and pension trustees have built a reason to tilt toward the active workers, the voters in the union. And we ask for regulations that would require independent consultation on who's appointed as a retiree rep and that there be no conflicts of interest as there are in the Central States appointment presently. And they have a duty to meet with committees and retiree clubs that -- and that they have transparency requirements so that the retirees can see for what purpose they have retained experts to provide a second opinion or merely to ratify what the fund is putting forward.

Because retirees have no vote within the union, and the company and the union trustees who govern the fund have more incentives to protect the active employees, the union members, more than they do the retirees, we ask the regulation barring the fund from cutting retirees' pensions to a greater extent than the actives.

In closing, I've worked my life -- I've worked hard my whole life to achieve the American dream: Retirement and a promise of a good and secure pension. I've never been arrested. I've never been in trouble. Always been trying to do the right thing. I have served my country in the United States Army without regret. I am greatly disappointed and appalled by -- with our politicians who think that losing part of our pension is no more than a haircut, who would vote by ramming it through into law without as much as a hearing or review of the Multiemployer Pension Bill, a bill which included if someone doesn't vote, the vote automatically becomes a yes vote; to take a vote by telephone or by the Internet, which we all know is not as secure as what everybody's saying here today; a bill which included language in which we could not file suit no matter how egregious the losses of our pension fund were handled.

I'm disappointed in Central States Pension Fund director with over 10 years -- who's been our director for over 10 years. He's been the fund's leader and he will undoubtedly be known to be one of the worst pension fund directors in modern times. (Applause) And it's my opinion that he was probably a disciple of the "Bernie Madoff School of Higher Learning" because he is able to manipulate.

(Laughter and applause) I apologize to you. I'm greatly disappointed in My government, the Treasury Department, Department of Labor, and Department of Justice, for it was you who took control as the overseer and protectors of our pension in 1982 because of the dissent decree agreed upon because of mob-

connected activities. At some point one would have thought a red flag should have gone up, questioning Central States Pension Fund trustees about the multibillion-dollar losses.

You put Wall Street, the modern mobsters of our era, in charge of our pension, the future -- of our future. And the wolves of Wall Street are now multibillionaires feeding off our hard work and sweat. So we are the blue collar workers of this country who -- excuse me -- who may have to live with broken promises. And if Central States Fund gets their way, most of us will be forced out of the middle class. We will be forced to live off the government by applying for food stamps and welfare. I guess haircuts will be optional at that point.

This is an American crisis that the government has allowed to be created and it's like nothing we've ever seen.

Mr. Feinberg, you had said that you haven't received anything from Central States. I received a letter in the past 10 days, I think it is, and it's dated early fall, which is two weeks, that we would receive a letter on our cuts. So I don't know if they've sent you the same letter they sent us. So they do, indeed, have a plan in the next couple days.

I really thank you for allowing us to speak today and I really thank you for allowing me to speak before you went to lunch. (Applause)

MR. FEINBERG: Ladies and gentlemen, this concludes our morning session. Now, we will adjourn for lunch. We will reconvene at 1:45, quarter of 2. Now, if anybody who did not speak, did not have a prepared statement, was not on our list, but would like to speak this afternoon for up to five minutes -- or you get the hook -- there will be a sign-up sheet right out front.

MS. JUDSON: It's being carried back there now because we gather there are six people who have already signed up. It should be in the corner back there on a sign-in table, and I understand someone will be there with the clipboard.

MR. FEINBERG: You're invited to come back this afternoon. We will continue until everybody who has signed up has had an opportunity to be heard. This session is just adjourning. We will reconvene. We want to hear from as many of you as want to have a statement on the record that we can consider going forward.

So we thank you for this morning and we look forward to seeing as many of you as possible at 1:45. Thank you. (Applause)

(Recess)

MR. FEINBERG: All right, everybody, if we could come back to order. We have a small group of individuals that -- over the lunch break -- signed up. They will each be afforded up to five minutes to come to the lectern and make their presentation.

Now, for purposes of transcribing this hearing accurately, will each of the speakers when they come up here spell their last name to make sure it's recorded appropriately, and we welcome additional input. We remain open to any

suggestions, encouragement, views. That's the purpose of today's hearing. Dave Grant -- is Mr. Grant here? Come right up, Dave.

MR. GRANT: You're welcome. Thank you, Mr. Feinberg. It's a pleasure to be here in the panel here. I enjoy taking this opportunity to speak. Many things --

MR. FEINBERG: Excuse me, G-R-A-N-T?

MR. GRANT: Yes, G-R-A-N-T, yes.

MR. FEINBERG: I'm good. OK.

MR. GRANT: I want you folks to be aware of some of the things that we've experienced and the process of getting here. Many of the locals were very reluctant to do anything. Some of them stalled us off, gave us misinformation, said "there's nothing you can do." They didn't even say that we could come here. Some of them said, "well, there's nothing you can do." It's all cut and dried. I want you to be aware of that, and you said that you wanted a large array of people to send testimony in and everything. I am surprised when I get talking to various ones and they find out that someone is out here that's advocating for them and getting them some correct information, and that's what they want to know; how the process is handled along with what the amount of their reduction in pension is going to be.

I'm concerned about the viability of the fund. I firmly believe that management needs to be replaced. There's an overhaul there in all the other things you'd heard previously. I think it's jumped the track. This is a train wreck. I actually call it a death by financial suicide, but anyway -- asset allocation.

Mary Packett, when she was up here before, she and I had spent many nights comparing Western Conference Teamsters to ours and trying to make variables because they happen to have a pension fund that has plenty of people paying into it, but the wide array that we have of assets and everything, it looks like they've taken a shotgun approach and just shot out there and if they hit a winner, fine. If not, why, they gun their process trying to diversify and everything.

The notification -- oh, I spoke on that. Matter of fact, the people I was talking to about the array -- I've been invited to go to Savannah, Missouri. Consolidated Freightways is having a reunion. They asked me if I'd come down and give them what information I could give them. Hopefully I can get them all the process and everything and what's going on. I'm a little reluctant because, you know, what they usually do to messengers and everything, and I happen to be an ex-Roadway driver, so.

Anyway, this extended time, we still have time because they haven't filed yet, and I would encourage you to spend the full 225 days because this is the first time for the MPRA and the implementation of the rules and everything that will help guide you all on through this process because I'm sure there's going to be other pension funds following us.

Recovery time -- you know, this is the other big question mark. That hopefully will come out in the proposal. The other thing -- the Treasury Department and the

Department of Labor, the 140 percent of funding -- this is something that really concerns me. We could never amass more than 140 percent. We had to spend that down. Had this not been a mandatory limit, well, that would have allowed our pension fund to have amassed more monies through the years, and hopefully it'd have money to stave off the financial fall that we experienced in 2007. The recovery time -- and what else. That's about it. I hope you folks will take your time (inaudible).

MR. FEINBERG: Thank you very much. Mr. Grant was with the -- is with the Nebraska Committee to Protect Pensions. (Applause) Next from the Missouri Committee to Protect Pensions, Sue Cole. Is Sue Cole here? Susan Cole? All right, we'll come back to her if she arrives. Teamster Don Fogle? Is Don Fogle here?

MR. FOGLE: Yes.

MR. FEINBERG: Mr. Fogle. (Applause)

MR. FOGLE: I want to thank you people because --

MR. FEINBERG: F-O-G-L-E?

MR. FOGLE: Yes. I'm sorry. Don Fogle, teamster employee for 30 years. I can't very well say what has already been said very eloquently by my fellow brothers and sisters, but very discouraged at what's been going on, and I think one of the problems -- when they called this thing the multiple -- Multi-employer Pension Reform Act of 2014, it should have been called the Pennsylvania Avenue Railroad Act of 2014 because we are getting railroaded.

To reiterate some of the things, I want to bring out some examples of what's already been said about how disrespect snuck into the budget, and we had nothing to say. They should have come right to us in the beginning to let us know what -- so we would have some input, and they didn't give us any. Then as far as the ballots being returned with no votes. That's not the American Way. That's not the American Way where every vote's counted as a no, and we were assigned Teamster. We were assigned with a lady. We had no representation from her, and even if we vote for it, the Teamsters -- the Department of Treasury's going to override whatever we say.

I'll give you some good examples about some of the possible cuts. Listen to the gentleman -- or I'd say the person down here with the trustees or whatever talking about possible cuts, and we've heard anything up to 60 percent. Now, I'm a 30-year member, and I get \$36,000 a year. If they cut me 60 percent I'll be getting \$14,400 a year. Now, that gentlemen -- be making \$660,000 a year, if they cut him 60 percent he'll get \$264,000. I don't think he can make it. I really don't think he'll be able to live on \$264,000, and they are proposing for us to take our cuts, but no proposals for these high-paying salaried trustees and managers.

When, talking to an elected representative here a few weeks ago, Steve Styvers, and he voted for it, and he had no idea what was in the bill. We'd ask him and tell him what's in the bill, and he acted like he was -- "I'm surprised. I

didn't realize that." Was that another one of them cases where you got to vote for it before you find out what's inside it? That's not fair.

Now, I heard him also say that it was possible if the PBGC would go bankrupt or broke, we would take a cut of \$13,000 a year. Well -- and he also made the suggestion that possibly if we went his way it would be less of a cut. Do you think I could trust him? They way they've handled our money? No way. I'd have no trust.

You people have made me feel (crying) that I can trust you. I cannot trust the teamsters. If I have to go back to work -- I'm 75 years old, in good health, and if necessary that I have to go back to work I can assure you it will not be with the teamsters because I'm not going to lie in these high-pen managers and trustees any more money. I'm done with them. I'll work for peanuts before I'll go back to work with those people, and that's not the American dream, and it's not fair. That's about all I have to say.

MR. FEINBERG: Thank you, Mr. Fogle. Thank you. (Applause) Our next witness: Rick Long. Is Mr. Long here? Rick Long?

MR. LONG: Yes, sir.

MR. FEINBERG: Come right down, Mr. Long.

MR. LONG: Thank you, sir. I would just like to thank you folks for bearing with us. I know we ain't right. Some of us, we don't know what we're talking about, but we've got good intentions, and only thing I can say is go at this thing -- I know you going to go by the letter of the law, and I fully understand that, but keep in mind us in your hearts and just think of us when you make these decisions, and please make the best decisions for these people that you possibly can. Thank you.

MR. FEINBERG: Thank you, Mr. Long. (Applause) The only thing I would disagree with, Mr. Long, is your comment that we don't think you know what you're talking about. The people in this audience know exactly what you're talking about, and we understand it, I assure you.

Our next witness, a teamster from Omaha, Nebraska, Robert C. Bossung. Is Mr. Bossung here? (Applause) Have I pronounced your name accurately? Is it --

MR. BOSSUNG: Yes, that was very, very close.

MR. FEINBERG: B-O-S-S-U-N-G?

MR. BOSSUNG: You've done better than most people do.

MR. FEINBERG: Good. Thank you.

MR. BOSSUNG: Distinguished panel, fellow teamsters, I always wish I would have had a simple name like Feinberg or something like that, but I didn't.

I'm relatively new to the political process, and I thank you for giving us the opportunity to take part in it (crying). I wear my emotions right here, so I can't help it.

I retired three months ago and four days, and like everybody else, you spend the hours and the years in the trucks and you look forward to the time when you can just shut her down and say "I'm done -- I'm going to enjoy the fruits of my labor from now on."

About a month after I retired I started getting hit with "We're going to lose benefits. You're going to lose benefits." And to me -- OK, personally, to me, I don't -- I'm not a figure. I'm not a number out there. I'm right here, OK. I'm a person. My heart's beating for a while yet, I hope. This totally disrupts -- the thought of losing \$500 or \$600 dollars out of my pension check -- it disrupts all my peace of mind, all my plans for enjoying my golden years, so to speak, that I've worked for. For 37 years I've been driving a truck. And it just seems patently unfair. It does not seem like it's the American way, and I'm not throwing bullets at you folks. You're here. You've got to take the flack, but like several have said so much more eloquently, we've been wanting to share this with somebody that acts like they care and acts like they're listening (crying), and not everybody does.

I've talked to both of my senators, all three of my Congressman from Nebraska, and I know one of them did not know what was in the legislation and voted for it -- senator -- and I suspect the other one didn't. When you get 1600 pages plus another 161 put on it, and you're supposed to go through that legal jargon in seven days, you can't do it. So, instead of being accused of shutting down the government and voting to defund the government, vote for the thing. Get it over with.

It needs to be looked at closer, and I know you're not the right people to speak with, and we've spoken with the right people, but I just -- I just want to thank you for this opportunity, and I thank you for being able to take part of the political process, and I am proud of you guys.

(Applause)

MR. FEINBERG: Thank you. Next, a former pension trustee, Robert Roach. Is Mr. Roach here? Robert Roach? Not here.

From the North Carolina Teamsters, Barry Nesbitt. Is Barry here? Come right down, Mr. Nesbitt.

MR. NESBITT: I didn't think I was going to come up and speak today. I really didn't have any prepared speech, and I'm not a very good public speaker, but people were talking about how it was going to effect their lives, these pension cuts. And I'm going to be one of the youngest and one of the least financial, money-wise, pension. I was taken out of work on Social Security Disability after 23 years service.

At 54, I could have left with \$1,500 a month for years of service. I had 33 years trucking, 23 with Roadway and YRC. I went ahead and kept working after I was disabled. I didn't want to quit, but they finally took me out and Central States sent me a letter that said "your pension has just been cut from \$1,500 to \$800." So I couldn't take my pension, I had to freeze it. Four years later, at age of 58, it got back to \$1,200, so I went ahead and took it.

It's a supplement to Social Security Disability, and after my wife's insurance comes out and taxes, I get approximately \$775 a month. So when you cut mine, you might as well take it all. There ain't enough left there to do anything with.

But, anyway, Central States also denied to let me go on Central States' disability long-term due to the fact YRC quit paying into the plan in 2009. They weren't allowing anybody else to go out on long-term disability, so that knocked me out of that. So I get \$2,100 from Social Security disability and \$775 a month from the pension. That's my pension, and that's how it affects my family. Thank you.

MR. FEINBERG: Thank you. (Applause) Going back now, is Susan Cole here? Robert Roach, is he here? Earlier this morning, is Harold Gregory here?

SPEAKER: No, he's not here.

MR. FEINBERG: OK. And Robert Edwards, who told me he might not be able to make it?

Now, that completes the list of everybody here who wanted to say a few words. Before we adjourn and complete today's hearing, is there anybody else in the audience that would like to come down and say a few words? Does anybody -- come on down. State and spell your full name for the record, so we'll have it.

MR. LANDON: My name's Pete Landon, L-A-N-D-O-N. I'm an organizer for Teamsters for a Democratic Union, at our caucus within the union, but I'm also a long-time Teamster. I worked for a company called Rocket Transportation, which was in Detroit, the trucking provider for Emery Worldwide Freight, which was an overnight freight system that existed up until shortly after 9-11, when overnight freight became more of an issue and problem. And over the course of 2002-2003 our company went out of business.

So I'm representative of the so-called orphans in the fund, folks that no longer have employers who are contributing to the fund but did over many, many years. And certainly there's brothers and sisters that I worked with that are retirees now that are collecting on the pension, and I think they earned every dime on that in their working years in the '70s, '80s, and '90s. But we're here today primarily for the procedures and regulations, and so I think I just want to reiterate a few things that we're hoping you all will focus on going forward.

One is I hope you've gotten the impression that as far as we're concerned, this was done in the dead of night, you know, in December of 2014. While Mr. DeFrehn may have said that he and the folks that he works with got a certain amount of access in terms of their perspectives for what should be done with the funds in a difficult status, certainly I hope you've heard the messages from the ranks here that we felt like we had no role in those deliberations that went on over the course of a couple three years. And, finally, they got Congressman Klein and Congressman Miller to make it happen in a lame duck session with the end of the spending bill. So, anyway, I think if they had had some of these voices -- some of our voices at the table in some of those hearings -- if they had had us and those voices it may have been crafted as a different bill.

And one of the things that we're most concerned about, and you all can't do much about, but since our voices weren't heard and alternatives weren't raised and debate wasn't allowed, we really had no chance to influence the outcome of MPRA. And we can't go back on that.

Now, although we're working very hard to support COPPA that Senator Sanders and Marcy Kaptur have introduced, we're hoping -- and this is where you do come in -- if the process is slowed down over the next few months, we may have a chance of getting some new legislation on the table and getting MPRA either repealed or adjusted, so that's number one.

Number two, hopefully you've heard that for all intents and purposes the so-called retiree representative has really not engaged us in any real manner. So I, for one, anticipate working with all these folks out here to studiously study her report when it comes out. And I'm sure we will get together a set of concerns, criticisms, and questions regarding that report. And I would hope that some subset of us or delegation would be able to meet with you or the Department of Labor or others to go over those concerns. First, we obviously would submit them in writing, but then we'd want to discuss them with you.

And then to the voting procedure. While we may be in the 21st century, and we're moving in terms of advanced technology, again, I'd like to underscore that a mail ballot with a return paid envelope, we believe, is the most direct, democratic, and trustworthy form of voting on whatever cuts may be coming. And so while some may claim that it's an added cost to provide a stamped return envelope, we believe -- given the amount of money that's been spent by the Central States over the years -- either on salaries, benefits, but also just waste -- that we can do the figures on the back of an envelope and probably figure out how much a return envelope would cost. And I think, in the big scheme of things, it's not prohibitive.

So then I would hope, again, when Central States submits its proposal -- just like the retiree representative's report -- we'll certainly want to punch holes in that or raise questions or issues. So, in terms of procedure, since we may have a little time here, it's probably not written in stone, but if you could give us some idea of what you see unfolding in terms of now that this hearing has happened, what do you see as the next steps or the timeline in terms of what's happening going forward because we're certainly going to want to plug into that and engage that as much as possible.

And to conclude, I'd just like to say how proud I am of the folks that spoke today, how articulate you were, how moving you were. Yeah, we might have not always been exactly on point in terms of what this panel is charged to do, but I think this is the kind of American citizenship that we need and we're reflective of the best of what American citizenship could be.

(Applause)

So we need to be positive in our contribution today, but realize that this is just one contribution and we need to keep moving the movement forward because that's the only way that we're going to be heard. Thank you.

(Applause)

MR. FEINBERG: Thanks, Pete. Anybody else want to be heard? Come on down if you want to be heard. Now's the time. Please state and spell your full name for the record.

MR. LOWRY: Lowry, Fred, F-R-E-D L-0-W-R-Y.

MR. FEINBERG: Fred Lowry?

MR. LOWRY: Yes.

MR. FEINBERG: Mr. Lowry, go ahead.

MR. LOWRY: Yes, sir. I want to tell you all I appreciate what all you guys have done to help us. I started driving a truck when I was 18. Well, I was hauling feed, and then I started running the West Coast, and we'd haul eggs to Fort Lewis from Lamarche, Iowa, in pinstriped overalls that my boss wanted worn then. He'd go into a truck stop and they'd say "what kind of outfit is that?" And he'd say "that's a Nebraska tuxedo." Well, I don't live in Iowa, so I put Iowa-Nebraska tuxedo.

But I drove for Pacific Inter-Mountain Express, and when I was a kid, they used to go by my house on Highway 30, and I watched them. They were the Cadillac of drivers. Those guys, two men, they ran together and people would get out on the road and break down with cars, they would stop and pull over to the side and take these people in. A lot of these highways were old U.S. 30, U.S. 6, U.S. 20, across Wyoming and Nebraska and up in the Western states, but they all got the name as a good citizen of the highway. And they used to have that on the side of their trailer.

Then I lost my job after I was with them for 17 years, and then I went to work for Roadway Express, which was one great company. I worked 12 years straight through with them. Then I retired in 2005, and I'm still driving 57 years. I've still got a CDL; we can only get it for two years in Iowa, where in a lot of states you can get it for five. And years ago, you had to be 24 years old before you could get on a big truck company. They wouldn't -- I called one when I was 23 and the guy told me, at IML in Salt Lake City, Utah, the man told me, he said when you turn 24 or 25 call us, son, and we'll give you a thought about working.

But the trucking industry today is not like it was. The two-man operation, we used to sleep in a bunk for five hours and then go to bed and the other driver would drive for five and take your break, and we'd do that all the way across country on a two-man deal. But on a relay, we'd usually run 10 hours out to Little (inaudible) and go to bed and then go to Salt Lake. But like I say, all these Teamsters and all these guys drove a lot of miles. They're professionals. That's what the old trucker was called: a professional.

Any day now they took it down and they made it a general. They're not a professional. There's a different breed of driver out there and I don't know the laws and regulations, they keep changing them, but I don't think they're appointing the right people to get in these positions to do something. They'll appoint somebody that doesn't seem like he's ever been in a train of a cab or truck or train or airplane, and I think that they need to put more attention into that, too.

But as far as this pension deal, it really smells to me. It just isn't right. And like I say, my daughter's researched this since February. I didn't find out on paper until February and I thought it was terrible that Central States and the Teamster's Union didn't send out something. I called our union hall and they said, well, we don't know nothing about it. We haven't heard nothing.

I went to a lady that worked at the AFL-CIO, and she knew about it the 15th day of December, 2014. So I couldn't understand why both Central States and the IBT wouldn't let us know what was going on. And they acted like we were -- when we'd say something to them, they'd say, well, that's just the way it is. That's it. We can't tell you no more. We don't know no more. Well, they didn't have the cuts in place.

But, like I say, I guess that's all I've got to say, and I thank all of you people for listening to us.

MR. FEINBERG: Thank you very much.

MR. LOWRY: Thank you, sir.

MR. FEINBERG: Thank you. (Applause) Please state your name and spelling, please.

MR. SUSI: My name is Pete, P-E-T-E, Susi, S-U-S-I. I'm from Columbus, Ohio. I've driven a truck for 34 years under the Teamsters and when I retired, they told me this is the amount I'm going to get, no more, no less. Well, I wanted to get a part-time job. They said you can't do that. You have to fill out a form for them to OK it, and if they did OK it, you could only work 40 hours a month.

So Central States has governed me and owned me and now they're ruining me. And that's all I've got to say. Thank you. (Applause)

MR. FEINBERG: Please state your name and spelling, please.

MR. WATSON: Yes, my name is Manuel Watson. That's M-A-N-U-E-L W-A-T-S-O-N, Watson. I --

MR. FEINBERG: Wait a minute. Do we have that? We got it? OK, go ahead.

MR. WATSON: Yeah. Along with my three friends here, we come up from Charlotte, North Carolina. We are all retired UPS drivers. And let me just say thank you very much.

And what we're going to do is a lot of people in Charlotte don't have all the information, and we're going to make a conscious effort to tell people that didn't know about this meeting and about other meetings, you know, so we can get

involved. We were discussing it at lunch, and we're going to make a conscious effort just to get every single person that we know just involved and get the information. We're going to take this information back to Charlotte.

And I'd like to introduce my friends here. Andrew Edwards, Anthony Dowd, and Glenn Horton, we all came up from Charlotte. (Applause) And we're going to do everything we can to help the cause because we are part of Central States and the whole entire situation. Thank you.

MR. FEINBERG: Thank you. (Applause) Anybody else? Please state your name and spell it.

MR. ORMS: William Orms, O-R-M-S.

MR. FEINBERG: Mr. Orms.

MR. ORMS: What I want to talk about is back to the vote on who's going to vote, who's allowed to vote. Ever since 2008, since YRC has quit contributing to the pension fund, I think anybody hired on after 2008 should be excluded from voting because the way it's set up now they're only going to get one year for four years worked. So they'll be 100 years old, they'll have to work their 100 years before they get any kind of a pension. (Applause)

So I think they should be excluded from voting because they don't care. I mean, they're going to vote -- well, we're going to guess they're not going to vote for us or be on our side because they're dissatisfied with what they have to do with -- I mean, how they got to work there. And that's all I got to say. Thank you.

MR. FEINBERG: Thank you. (Applause) Before we adjourn this hearing, let me just say a few words about two points that have been made over and over again beginning this morning.

First, various witnesses have discussed pending cuts in benefits in the Central States plan. We -- this panel at Treasury -- we have received no plan. We hear that there will be a plan submitted, but I want everybody to know it sounds to me like there are more witnesses that know what's in that plan than we know. The plan has not yet been submitted. We can't take any action or review it or seek comment from you guys until we get a plan. It's a voluntary process. So that's the first point.

Also, remember, when that plan is officially submitted, it is public. It is public. Anybody can look at it. It'll be online, I guess, or it'll be available. Anybody can look at the plan and begin to comment.

Point number two, our interest in what you believe does not end with this hearing. When you go back home and, as this witness just said, spread the word that this program, this legislation, this statute is now in effect, we are trying to do what we can in implementing a statute that is law. The more we hear from you, the more you want to comment, the more you explain how it'll impact on you personally, the better.

To the extent that your voices have not yet been heard until today, they will be heard now. And it's important that you continue to follow what we are doing after we adjourn this hearing.

Now, in that connection, I can make the following pledge to you folks. If there are a group of you that are organized in Ohio or in North Carolina, we will come to you. You don't have to come back to see us. We'll come down there.  
(Applause)

We're ready to come to Ohio once the plan is out or if there is a plan that's out, and you guys have examined the plan and you've got a working group and you want to meet with us, Mr. Feinberg, before you guys do anything, we want to just tell you one, two, three, fine. That's the whole point. That's what we want.

Now, you'll recall what I said at 9 a.m. Our hands are tied somewhat by the law that was passed by Congress. We aren't magicians. On the other hand, to the extent that we have discretion, to the extent that we can review a plan, to the extent that you guys want direct input into our options, limited as they may be, we welcome that. We want a fully transparent program.

You may not agree with everything we have to do, but let it not be said that we did not reach out to you, that we did not consult with you, that we did not try and do what we can to make sure that your voices are heard. That's why we wanted to make sure today that we had a large enough auditorium, that we had the right people here, that we sent out a notice, that we allowed you -- that we welcomed you to come, so that we could hear over the last few hours the beginning of what you think about the program.

So as we adjourn, those are the two points I want to leave with you. We can only act when we have a plan. We have no plan yet. And -- and -- we want your input, we want to reach out to you. We will come to you in an effort to make sure your voices are heard.

Yes, sir?

SPEAKER: I understand that one of you said that you got like 220 days to reach a decision on this? Does that start from the time you hear the plan or from today?

MR. FEINBERG: Neither. It's neither today nor the time we hear of a plan. It's 220 days from the time the plan is submitted and certified. Is that right, Harlan, or anybody?

MS. MARSHALL: 225 days from the date we receive an application, review it, and determine that it's complete. There's a process where if we get an application and we don't think that they've sent in everything that we've asked them to send in, we can ask them to submit everything that's missing before we - before it starts, yes.

SPEAKER: 220 days?

MR. FEINBERG: 225, and it doesn't start until we get the plan and the plan is complete and we can begin reviewing it. So the 225 days isn't applicable today. There's nothing today about that.

SPEAKER: (inaudible) Central States when are they going to (inaudible) procedures and regulations? Because I anticipate Central States waiting for that (inaudible). Do you have any sense of the timeline or an anticipated timeline?

MR. WELLER: We don't know yet how long it'll take to finalize the regulations.

SPEAKER: (inaudible) six months, or is it six weeks? I mean, at least a ballpark.

MR. WELLER: It certainly will not be before we -- we issued a second set of regulations on the voting, so I don't think it'll be before that period. We had comments on that, which runs the beginning of November, so definitely not before then.

SPEAKER: But they're interested in speeding things up, so they could choose to submit (inaudible) before things are finalized, correct?

MR. WELLER: They are permitted to submit. They've been warned that if we make changes, that they may have to make changes in response to our changes.

SPEAKER: Thank you.

SPEAKER: (inaudible) when they submit these plans, they're going to end up having (inaudible) to our pensions. Are they going to be showing a plan on how they are going to utilize the money and the assets that are left to get this thing, hopefully, back on track? Because there are times I've wondered, you know, I've talked to an actuary the other days and he said that sometimes when they get to this point, there's no point in recovering it actually. So enlighten us a little bit, so we know what to tell them.

MR. FEINBERG: I think that's right. I think that the plan, and my experts here will correct me, but I think the plan that is submitted will be submitted with a proposed objective that the plan will be turned into black; that overtime with the recommendations made by the plan, the plan will be turned from red ink into profitability. And I think that's the goal.

Now, there may be a plan that's submitted that's hopeless. I'm not -- that's a hypothetical. I'm not saying it's Central States. I'm saying there may be a plan there's no way you're going to get it into the black. There's just no way. You'd have to cut the benefits 100 percent, so nothing we can do with that. I mean, they might as well file for bankruptcy or whatever, or some other remedy, but --

MS. MARSHALL: But, yes, that's right, benefit suspensions are only for plans that can, you know, show us their projections, you know, that take into account the suspension. They'll avoid insolvency over the long term.

SPEAKER: I don't like to speak for everybody, but I think everybody here will agree that we want to see this pension fund go for many, many years, and then

get itself corrected. And the frustration (inaudible) is the fact that we have not been given much information.

SPEAKER: (inaudible) been given the information (inaudible).

MR. FEINBERG: Well, I can tell you, you're going to have all the information you can possibly handle because when a plan is submitted -- whenever that might be, I don't know; you know more than I do about Central States -- whenever a plan is submitted and it's final and we're considering it, it's public. Anybody can review it. We are open to any thoughts you may have on that plan. We'd like to hear from you. And we will look at the plan. And our discretion is limited by federal law, but to the extent that we have discretion, we'll exercise it.

SPEAKER: (inaudible) this is the first time (inaudible). Thank you very much.

MR. FEINBERG: Yes?

SPEAKER: I want to say -- actually this is the first time in probably 30 years that these men have been treated like human beings in this whole thing. Thank you for treating them like human beings. Thank you. (Applause)

MR. FEINBERG: Yes, sir?

SPEAKER: You know, (inaudible) is it possible to (inaudible) much less of our pensions tax free?

MR. FEINBERG: Federal law.

MS. MARSHALL: That would take another federal law.

MR. FEINBERG: That's up to Congress.

MS. JUDSON: It requires legislation to do that.

MR. FEINBERG: Good luck. (Laughter)

SPEAKER: Get your Justice Department involved with the --

MR. FEINBERG: I'm sorry?

SPEAKER: (inaudible) get the Justice Department involved with the guys that have supposedly done wrong.

MR. FEINBERG: Go talk to the Justice Department. Yes, sir?

SPEAKER: Mr. Feinberg, do you folks on the panel here have the authority to call for (inaudible) congressional investigation into the financial dealings of the Central States Pension Fund? Do you have the authority to do that?

MR. FEINBERG: I don't think we have that authority.

MS. MARSHALL: Yes.

MS. JUDSON: We do not have that authority.

MR. FEINBERG: We don't have that authority.

SPEAKER: Who would (inaudible)?

MR. FEINBERG: Well, go talk to your congressmen from Nebraska.

SPEAKER: They're the people to go to.

SPEAKER: OK.

SPEAKER: Would you have had that ability before (inaudible) 2014?

SPEAKER: The Department of Labor has that ability (inaudible) what happened in 1982. It would be a different investigation, but (inaudible).

MS. JUDSON: I think, and I don't want to put -- this is a hearing about these regs that are for a specific law. People have raised issues regarding fiduciary standards and there -- as people have mentioned, under ERISA there are rights with respect to those. And generally, in the fiduciary area, the Department of Labor is the first agency that deals with it and there are also different rights that people have under ERISA.

SPEAKER: I thought those rights were taken away. I thought they made the -- plan participants don't have the ability to sue them.

MS. MARSHALL: Well, I don't think this law really changed, you know, plan participants' rights under the preexisting provisions of Title 1 of ERISA. I thought that provision was just with respect to the new (inaudible).

MS. JUDSON: This new -- yes, that limitation applies to this new law. It doesn't apply to all the other existing laws as we understand it.

SPEAKER: Oh.

MR. FEINBERG: I mean -- I would suggest, I mean, if you have evidence of wrongdoing or whatever, I don't take any position on that, but Justice Department, Labor Department, your own senators and congressmen looking into this, sending a letter to Justice or Labor saying look into it. I mean, there are options open, I suppose.

Yes, sir?

MR. LOWRY: My daughter brought up every senator and congressman in the United States of America, clear up to Alaska and Hawaii. I started calling all them. This is the committee. I called the 202 number, I get Harry Reid's number (inaudible) number one on the list. And I get the recording and I say I'm Fred Lowry from (inaudible) Nebraska. And the first thing they said "we can't take your comment, sir, if you're from Nebraska." Well, I said, "ma'am, a lot of our retired guys that were in Nebraska, Iowa, moved to Nevada, they moved to Florida, when they took their retirement. Like I said, there's a lot of them that's getting old."

And I told them -- and Chuck Grassley, in all the letters or the people that I called, Chuck Grassley was the only one that sent a letter back. And in the last few words he said the vote was 56 to 41, and he told me that there were so many pages in that, that were added in at the end of that attempt, (inaudible) package (inaudible) and that's why he voted no, that he didn't want it. And I just wanted to tell you that, sir.

MR. FEINBERG: Thank you.

MR. LOWRY: Thank you.

MR. FEINBERG: Yes, sir?

SPEAKER: My question is (inaudible). Before 2014 (inaudible) it was the government was in control of our pension. They were supposed to be -- they were supposed to regulate everything, the Department of Justice and the Department of Labor and the Department of Treasury. They (inaudible) the government's in complete control prior to (inaudible). Again, why was there not some red flags when these three departments that ran up (inaudible) we're not talking about \$20 million or \$30, we're talking \$15- or \$20 billion that is lost in that fund. And at some point in the time, the administrators of that fund, which would have actually been you because the trustees were supposed to report back to you, I read (inaudible).

MS. JUDSON: Actually, for those of us at the IRS, we are not permitted under federal law to discuss any specific taxpayer matter without waivers from the taxpayers and otherwise there can be penalties against us, including jail. So we really are not able to discuss particular plans at a public hearing. As Mr. Feinberg mentioned, under this new law with respect to this change, everything is made public and there's an opportunity to discuss that. But, unfortunately, at least the people on this panel from the IRS and my staff, we can't in this forum have those kinds of conversations.

MR. FEINBERG: Did the Department of Justice come here (inaudible)?

MR. FEINBERG: Justice, no.

SPEAKER: (inaudible) Labor?

SPEAKER: Question down here, sir.

MR. FEINBERG: Yes?

SPEAKER: Mr. Feinberg has indicated -- I'm with the Treasury group -- that he would be delighted to have this kind of dialogue with all of you and with the group that's currently up on Capitol Hill (inaudible) activities, and we have arranged for a room that is large enough that everyone here and everyone up there, as well, for this afternoon for the purpose of having a freewheeling discussion and not limited by the rules of the hearing, of the procedural constraints of a hearing on these particular regulations.

Now, you know, it's up to Mr. Feinberg whether he would like to, you know, adjourn the hearing now on the theory that this -- a broader discussion is really something appropriate for a freewheeling room where we can all get together and talk about your concerns (inaudible). So I just wanted to let Mr. Feinberg know that the room has been arranged and we are in touch with the Pension Rights Center folks to coordinate everybody meeting at this (inaudible) in a little while, this afternoon, once this hearing is over.

So I just wanted to give you the option, again, of deciding how you want to handle that.

MR. FEINBERG: Yes, sir.

SPEAKER: My question is what time (inaudible)?

MR. FEINBERG: That's a good question. If we adjourn now with a hearing on these regulations, that's the purpose of this hearing. It's 2:36. How soon can we reconvene? At 4:00?

SPEAKER: Four o'clock would work.

SPEAKER: Yes. Well, where would this be (inaudible).

SPEAKER: It's (inaudible) I think about 5:00.

SPEAKER: Right. Well, we would be able to have it, and if we can do it, we'd be able to (inaudible) a little earlier, and for the reason I'm not --

MR. FEINBERG: All right.

SPEAKER: (inaudible) coordinating with (inaudible) and Karen Ferguson on when everybody can convene. It's right around that time, so you want to give time for the event.

MR. FEINBERG: Why don't we do this? Why don't we do this? What room? Where are we going for this?

SPEAKER: We're going to be at the 1200 K Street, Northwest, building, which is the Pension Benefits Guaranty Corporation, the PBGC. Joe Shelton is on the panel from the PBGC. They have a room that is big enough to fit all of you.

MR. FEINBERG: All right, let do this. Let's do this. Why don't we reconvene, those who can make it, shall we say 3:15? It's 2:36 now. In a half an hour. 3:30. Let's reconvene, those who can make it -- it's not an obligation -- if you want to go to 1200 K Street to the Pension Center --

SPEAKER: How far away is that?

SPEAKER: It's about, I could say, four blocks.

MR. FEINBERG: Four blocks. It's not far -- 1200 K Street, at 3:30, those who can make it. I will be there. (Applause) And let's adjourn this hearing on the regulations and those who want to join us, 1200 K Street, 3:30 in the afternoon -- I'll be there to advance any discussion or have a more freewheeling discussion about the law and the regs and anything else that's on your mind. So how's that?

SPEAKER: (inaudible)

MR. FEINBERG: Yes?

MS. JUDSON: Before we adjourn I did also want to tell everyone that the comment period, the official comment period, is still open on the proposed regulations regarding voting. People were able to and offered a lot of insights on that topic today, but if you want to send in comments, you can do that through the regulations.gov website. The number if REG 123640-15.

SPEAKER: (inaudible)

MS. JUDSON: The number is 123640-15. And comments received by the deadline then are kept and posted on the Internet. Comments received after the end of the official deadline -- as I said, while we aren't required to consider them, we always try to do so, but they won't be posted. They're still publicly available. So you can also send them to us after that date.

SPEAKER: What's the deadline (inaudible)?

MS. MARSHALL: What is the deadline date?

MS. JUDSON: Pardon?

SPEAKER: Do you accept letters (inaudible)?

MS. JUDSON: Yes, certainly we accept letters that are sent. And in the notice on the voting it has the address to which you can send the letter. We'll also get copies at the meeting.

MR. FEINBERG: Ladies and gentlemen, we will now conclude this hearing on the regulations on Regulation 102648-15. Those who are available at 3:30, unrelated to this hearing, but those who want to continue any of this dialogue with me at 1200 K Street at 3:30 this afternoon, I will be there to continue the dialogue for those who want to meet. For those who can't, rest assured, as we move forward we will want to remain in touch with you. We will want to consult with you. We'll want to make sure your voices are heard.

On behalf of the panel and on behalf of everybody at Treasury and the various agencies, we thank you for what was a very, very constructive meeting. Thank you. (Applause)

(Whereupon, at 2:40 p.m., the HEARING was adjourned.)