



HESSE | MARTONE

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February 1, 2016

The Honorable Jacob J. Lew, Secretary of the Treasury
Department of the Treasury, MPRA Office
Attn: Deva Kyle
1500 Pennsylvania Avenue NW, Room 1224
Washington, DC 20220

Dear Mr. Lew:

I am writing to you on behalf of my clients:

The Associated General Contractors,
The Associated General Contractors of Illinois,
The Associated General Contractors of Missouri,
The Illinois Road and Transportation Builders Association,
The Ohio Contractors Association, and
The Southern Illinois Builders Association.

My clients have requested that I provide their joint comments with regard to the multi-employer pension plan application to reduce benefits filed by the Central States Southeast and Southwest Areas Pension Fund on September 25, 2015 pursuant to the Multiemployer Pension Reform Act of 2014 ("MPRA").

Together, my clients represent more than 1,000 employers throughout the Midwest. In the aggregate, they employ thousands of workers in construction and construction-related fields, many of whom are members of various Teamster local unions currently participating in the Central States Pension Fund. I am writing to express their support for the Central States Pension Fund's application under the MPRA.

The imminent failure of the Central States Pension Fund has been a major concern for these Employer Associations and their member companies for more than a decade.

The Employer Associations recognize that the benefit reductions under Central States MPRA plan would have a significant, adverse effect on plan participants. However, given Central States' current financial and demographic status (approximately five individuals draw pension benefits for every single individual on whose behalf contributions are made), the Central

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States' rescue plan is necessary to avert tragedy for all plan participants. If the Central States Pension Plan were to become insolvent and benefits initially reduced to base PBGC levels, plan participants would suffer greater reductions in their benefits than they would under the Rescue Plan and it is likely that the catastrophic financial consequences of such an insolvency would both create a multi-billion dollar burden to be borne by taxpayers (due to the Pension Benefit Guaranty Corporation's lack of funding) and have severe financial consequences for employers at a time when the construction industry is on precarious footing. It is not a coincidence that the flow of new employers participating in the Central States Pension Fund has slowed to a trickle, and the Rescue Plan represents the best (albeit painful) solution for this situation.

In sum, my clients and their member employers support the Central States' Rescue Plan.

If they, or I, can provide any additional information with regard to this pressing issue, please do not hesitate to contact me.

Very truly yours,

HESSE MARTONE, P.C.

A large, stylized handwritten signature in black ink, appearing to read 'Andrew J. Martone', is written over the typed name and title.

Andrew J. Martone
President and CEO

AJM/jmr