

December 11, 2007

The Honorable Max Baucus
Chairman, Committee on Finance
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

The Committee on Investment of Employee Benefit Assets (CIEBA) urges you to support a delay in implementation of the new funding rules required by the Pension Protection Act (PPA) until final guidance is available. CIEBA is the voice of the Association for Financial Professionals (AFP) on employee benefit plan asset management and investment issues, representing the chief investment officers/fiduciaries of most of the largest private sector retirement funds in the nation. CIEBA members manage \$966 billion in defined benefit plan assets on behalf of 11.5 million participants.

The PPA contained the most fundamental overhaul of defined benefit plan funding since enactment of ERISA. However, most of the regulations required to implement this new funding regime are not finished. Further, because of the importance of the new funding rules, the administrative process, including public comment, should not be short-circuited.

CIEBA members support appropriate funding of their defined benefit plans. In 2006, CIEBA members contributed \$27 billion in plan funding, an amount equal to the average annual funding for the previous four years. While CIEBA members are committed to fully complying with the new law, they (and other plan sponsors) will be forced to make funding decisions based on incomplete information. Such uncertainty is undesirable and undermines continued support for traditional pension plans.

We believe that you share our view that traditional pension plans play an important role in providing retirement income security to millions of Americans. We urge you to help rebuild support for these plans by allowing the administrative process to be completed before requiring compliance with the new funding rules.

If you have any questions, please let me know. I can be reached at: (301) 961-8682.

Sincerely,



Judy Schub
Managing Director, CIEBA



CIEBA is a Special Committee of the Association for Financial Professionals®