

SECRETARY OF LABOR
WASHINGTON

JAN 11 2012

The Honorable George Miller
Committee on Education and the Workforce
U.S. House of Representatives
Washington, DC 20515

Re: Pension Benefit Guaranty Corporation (PBGC)
United Airlines Pension Plans Asset Audits

Dear Congressman Miller:

Thank you for your letter of November 30, 2011, regarding the recent evaluation report published by the PBGC Office of the Inspector General (OIG) on the processing of the terminated United Airlines pension plans. The asset valuation problems you brought to the OIG's attention when you requested this evaluation are serious. As Chair of the PBGC Board of Directors (Board), I am responding on behalf of the Board to let you know that we share your concerns about the issues described in the report. We are taking steps to address these problems.

The Board is closely consulting with the OIG and PBGC management to ensure that the asset valuation problems get fixed quickly so that United Airlines participants can have confidence in their benefit determinations. The PBGC projects informing United Airlines participants by August 15, 2012, whether their benefits are affected, by how much, and when their benefit checks will be adjusted. Any participants who were underpaid will be paid in full with interest. We will keep you apprised of any changes to this timeline.

The ability of the PBGC to effectively select and monitor outside auditors goes to the core management function of being a good steward for the plans it trustees. The benefit determinations of participants in plans taken over by the PBGC should never be undermined by deficient audits. In consultation with the OIG, the Board will work to ensure that the PBGC has in place an adequate set of internal controls and safeguards to reduce the risk that these errors happen again.

On behalf of the Board, we appreciate your continued leadership in making sure that the United Airlines participants receive the benefits to which they are entitled. The Board shares your commitment to making the necessary changes to avoid these problems in the future.

Sincerely,



HILDA L. SOLIS
Secretary of Labor