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**Committee on Finance**  
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Senators highlight opportunities to improve oversight of Pension Benefit Guaranty Corporation

WASHINGTON — Sens. Max Baucus and Chuck Grassley said today that a new report of the Government Accountability Office offers important suggestions for how the governance structure of the Pension Benefit Guaranty Corporation might be improved to better protect pension holders.

Grassley and Baucus requested this independent review last year following the enactment of the Pension Protection Act of 2006, which strengthened pension plan funding. This week, they will consider the qualifications of Charles E. F. Millard to be Director of the Pension Benefit Guaranty Corporation during Finance Committee review of the nomination.

In the report made public today, the Government Accountability Office recommended that the board governing the Pension Benefit Guaranty Corporation adopt corporate governance practices with formal guidelines regarding roles and responsibilities and that the board be expanded to include individuals with technical expertise, including actuaries and pension-specialty lawyers and academics. Today the board consists of three cabinet secretaries, who have other responsibilities.

“The PBGC is too important to the financial security of millions of retirees to neglect problems that arise,” said Baucus. “The GAO report reveals troubling practices that easily lead to confusion and inefficiency within this vital organization. It is clear that to successfully protect America’s retirees, the PBGC must implement strong operational oversight, streamline internal communication, and clarify administrative roles and responsibilities. The Finance Committee will consider a candidate for PBGC Director, with these goals in mind.”

“It’s hard to overstate the importance of good governance by any board of directors, and when it comes to looking out for the pensions of 44 million Americans, the value of strong leadership is obvious. The Government Accountability Office points out significant shortcomings inherent in the current board structure of the Pension Benefit Guaranty Corporation,” Grassley said. “I especially want to see a clear-cut, independent line of communication established for the Inspector General with the board of directors. Congress ought to consider other recommendations, too, as we continue our oversight and vigilance of the nation’s pension policies. I also look forward to asking the nominee for PBGC director about his views on how the board structure could be improved.”

The Pension Benefit Guaranty Corporation insures the pensions of more than 44 million

private sector workers and retirees in over 30,000 employer-sponsored pension plans. The Government Accountability Office said that since the corporation was created in 1974, its assets have increased significantly, and its financial portfolio is now one of the largest of any federal government corporation. However, the PBGC's single-employer insurance program shows an \$18 billion deficit.

The new report – GAO-07-808 – is available at [www.gao.gov](http://www.gao.gov), and it is posted alongside this news release at <http://finance.senate.gov>.