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June 28, 2005

The Honorable John Boehner
Chairman
Committee on Education and the Workforce
U.S. House of Representatives
Washington, DC 20515

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

Dear Mr. Chairman and Ranking Member Miller:

On behalf of The Asset Managers Forum (AMF), I am writing to urge the inclusion of some common-sense changes to the Pension Protection Act (H.R. 2830) currently pending in the Education and the Workforce Committee. The AMF, a subsidiary organization of The Bond Market Association, is comprised of professionals affiliated with asset management firms whose combined assets under management—including private pension fund investments—exceed \$5 trillion.

In 1974, Congress wrote the Employee Retirement Income Security Act (ERISA) based on a money management industry that has since changed dramatically with consolidation in the financial services industry. In particular, ERISA's prohibited transaction rules, applied today, often serve only to deny plans investment opportunities and raise administrative costs. In one specific example, pension plan participants are unable to realize the efficiencies of cross-trading—or trading between pension plan accounts held within a single asset management firm. Congress should amend ERISA to permit active cross-trading.

The added efficiency of cross-trading will ultimately benefit pension plan participants by lowering plan costs. I urge you to consider amending the Pension Protection Act to update and clarify the prohibited transaction rules in order to allow for transactions such as cross-trading.

We would like to thank you for your leadership on this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Vogt".

John R. Vogt
Executive Vice President