



For Immediate Release

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**Opening Statement of**  
**U.S. Senator Michael B. Enzi (R-WY)**

***Nomination of Charles Millard***  
***to be Director of the Pension Benefit Guaranty Corporation***

Slightly more than a year ago, the President signed into law the Pension Protection Act which made the most sweeping changes to our nation's retirement savings laws since the enactment of ERISA and the establishment of the Pension Benefit Guaranty Corporation (PBGC) in 1974.

The driving force for getting that law through Congress was the pending funding shortfall of the PBGC and the spike in the number of companies that were falling behind on funding their pension obligations and the potential exposure to the pension insurance program. Even though there are provisions of the Pension Protection Act that have yet to go into effect, there is little doubt that the law has made a vast and fundamental improvement in the soundness of employees' pensions throughout the nation.

Today, we review the nomination for the Director of the PBGC, a newly-confirmable position pursuant to the Pension Protection Act. We took this important step to elevate the position because the Director is the steward for the PBGC's very substantial Trust Fund assets. The Director must possess the management skills and financial background to look into the future and position the Corporation on the right course to ensure that the billions of dollars of worker's retirement savings are there in case they need them.

I do foresee events on the horizon that will determine whether companies continue to offer defined benefit plans to their employees. For example, the Financial Accounting Standards Board will be releasing later this year proposals to update and revise the accounting standards for pension plans and retirement health care. These proposals could have broad ramifications on how companies' must account for pension plans on their financial statements. Also, the PBGC Director must take care to implement practices, policies and procedures that do not discourage companies from offering defined benefit plans to their employees.

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With respect to the corporate structure, the PBGC is unique within the federal government. It is a wholly owned federal corporation with three Cabinet Secretaries comprising the Board of Directors. This presents its own set of benefits and challenges. When Senator Sarbanes and I drafted the Sarbanes-Oxley Act, we recognized that strong corporate governance was essential to the operation of any public corporation. I believe the same is necessary of our federal government corporations as well.

With respect to the PBGC, keeping the Board fully informed and engaged is essential to the operation of the Corporation, and the role of an independent audit committee must be held by the Inspector General of the Corporation.

When I met with Mr. Millard in July, he expressed his desire to bring many of the private sector corporate governance practices to the PBGC. Since his short tenure as Interim Director at the Corporation, there is evidence that he is making corporate governance a top priority.

I believe that he has the management and financial background to be Director. I look forward to his testimony today to hear his perspective on the implementation of the Pension Protection Act and to hear his vision for the financial safety and soundness of the Corporation so that millions of workers covered by this insurance program can look forward to their “golden years” of retirement.

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