
From: Michael Haglund
Sent: Tuesday, June 7, 2022 10:53 AM
To: Mike Moore <mmoore@pmsaship.com>
Cc: Mike Jacob (mjacob@pmsaship.com) <mjacob@pmsaship.com>; Jordan Royer (jroyer@pmsaship.com) <jroyer@pmsaship.com>; Ivan Carlson - President <president@pspilots.org>; ccostanzo@psppilots.org; David Grobschmit <dgrobschmit@pspilots.org>
Subject: PMSA Actuary Request for Information

Mike,

Charlie forwarded your email of yesterday regarding a number of questions from the PMSA actuary. We would be happy to have PSP actuary Christopher Wood respond to questions in writing within a day or two or we could coordinate a telephone conference call later this week. As to contact with the PSP plan administrator or pension counsel, that is not necessary and well beyond the scope of the stakeholder discussions that the UTC ordered.

On behalf of PSP, we do wish to wrap this process up quite soon. We must respectfully insist on PMSA providing its final position on any transition of the PSP existing pension to a funded pension no later than June 15. As we understand your position at this point, PMSA is agreeable to existing retirees continuing to receive their pensions and that the funding for these pension payments should continue to be covered within the revenue requirement for the tariff. With respect to the past and future pension accruals for PSP working pilots as well as the pension benefits for future licensees, we understand that PMSA opposes continuation of the existing PSP plan with its 1.5% annual accrual rate that ultimately generates a fixed pension benefit calculated by multiplying a retiring PSP pilot's total accruals times the average of the last three calendar years of distributable net income before retirement.

We are available to have a wrap-up stakeholder session at any time next week. However, considering that this process began last fall and has included multiple sessions, it's time to wrap things up and report to the UTC on what appears to be agreement on how to handle the benefits owing to existing retirees, but disagreement on what sort of pension benefits PSP working pilots and future licensees should receive.

We look forward to hearing from you regarding your actuary's preferred form of follow-up and to receiving PMSA's final position on the pension issues by June 15.

If you have any questions, please not hesitate to call. Best regards, Mike

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From: Mike Moore <mmoore@pmsaship.com>
Sent: Monday, June 6, 2022 12:00 PM
To: Charles Costanzo <ccostanzo@pspilots.org>
Cc: Mike Jacob <mjacob@pmsaship.com>; Jordan Royer <jroyer@pmsaship.com>
Subject: PMSA Actuary Request for Information

Charlie,

Our actuary would like to collect some information – his suggestions to us are listed below. Can you respond to us with your thoughts and hopefully our actuary can get through the work in a thorough and timely fashion.

Contact with Milliman Actuary

Ideally, your contact at PSP would agree to direct communication between Milliman and me, with you and PSP copied on the correspondence going both ways. I am happy to handle all of the communication, but you may wish to discuss the communication protocol with your PSP contacts first, to avoid confusion. I will need from you the contact information for PSP. If available, please also provide the contact information for the Milliman actuary.

Contact with Plan Administrator

While I believe that I understand the benefits provided in the current PSP plan from the plan document, sometimes actual administration of a plan produces surprises. Therefore, it would be good practice to review benefit determinations from the benefits administrator to ensure that I have a full understanding of the benefits in the plan. Protocol for requesting and receiving that information may be similar to the protocol for communication with Milliman. I will need the contact information for PSP to proceed with that request.

Legal Opinion on 401(a) Qualification

Please let me know whether your PSP contacts would agree to share any written documentation of the advice they received from legal counsel about creation of a tax-qualified pension plan mirroring the current PSP pension.

Let us know if you have any questions about these requests...

Thanks,

Mike