

actuary, in other words, has examined the plan, taken into account the true value of the assets as of July 1, and it is now that valuation that's being reflected in the need for a lower contribution.

SENATOR CHAMBERS: Now does the actuary routinely do this revaluation...

SENATOR WICKERSHAM: No.

SENATOR CHAMBERS: ...periodically? So if...

SENATOR WICKERSHAM: That's done, Senator, that's done annually. When you said periodically,...

SENATOR CHAMBERS: Okay.

SENATOR WICKERSHAM: ...annually.

SENATOR CHAMBERS: Okay. So then there's a chance that it would have been picked up then.

SENATOR WICKERSHAM: That's correct. We...actually, Senator, to be quite frank about it, this may have happened in the past and not been detected at all. But when you, when you take a ten-year plan, for example, then that will tend to cause those things to wash out. One year you may have less, one year you may have more. This one is extraordinary because of the considerable understatement of assets and the effect that that had then on contributions.

SENATOR CHAMBERS: And you understand that because of the size of the amount we're dealing with, it can raise questions as to whether this may have happened...

SENATOR WICKERSHAM: Yes, Senator.

SENATOR CHAMBERS: ...in the past and then not been detected.

SENATOR WICKERSHAM: That's correct.

SENATOR CHAMBERS: Now all that would have had to be done to prevent this is for that adjustment in figures or that revaluation that was not turned over, to have just simply been