

Statement of Senator Joe Manchin III
before the United States Senate Committee on Finance
September 21, 2016

Chairman Hatch, Ranking Member Wyden and members of the Committee. Thank you for the opportunity to submit a statement regarding today's executive session in consideration of S. 1714, the Miners Protection Act.

After months of negotiations, your dedication and the hard work of you and your staff made this legislative mark-up possible. I commend you and, on behalf of West Virginia and its miners, I thank you. I would also like to recognize the retired miners that traveled here today to be with us – particularly my fellow West Virginians. Their commitment to our nation continues to inspire me and I am grateful for their efforts.

In May 1946, the United States was in the midst of a robust post-World War II economic recovery. The United Mine Workers of America were actively negotiating their contracts and a strike was pending in the coal mines. President Truman recognized the vital role the coal industry played in the economic recovery effort and, fearing a prolonged strike, issued an Executive Order directing the Secretary of Interior to take possession of the bituminous coal mines in the United States and negotiate with the unions. The strike ended one week later with the announcement of the Krug-Lewis Agreement and, since that historic day, our country has honored our commitment to secure the health and retirement of our miners.

Sadly, today, our miners are faced with a crisis. If Congress does not enact the Miners Protection Act, 16,000 miners will lose their healthcare at the end of this year. Then 3,500 miners will lose their healthcare in March and another 3,500 miners will lose their healthcare in July.

In addition to the terrifying fact that they may lose their health benefits, these miners and widows face the potential loss of their pension income. The 1974 United Mine Workers of America Pension Plan (the Pension Plan) was well-managed and well-funded prior to the 2008 financial crisis – in fact, it was 94 percent funded. But, when coupled with the fact that 60 percent of the beneficiaries are “orphans” whose employers are no longer in business and the fact that only 10,000 active workers are contributing for about 120,000 retirees, the financial crisis put the Pension Plan on the road to insolvency.

In fact, the Pension Benefit Guaranty Corporation (PBGC) confirmed earlier this year that, if Congress does nothing, the PBGC will have to assume the liabilities of the Pension Plan. The PBGC projects that it would only be able to provide financial assistance to the Pension Plan for one to three years before exhausting its own multiemployer pension fund. The PBGC has also acknowledged that such assistance would “be a significant factor in PBGC’s multiemployer fund insolvency and will accelerate that insolvency by a number of months.”¹ That insolvency would fall fully on the shoulders of the taxpayers.

¹ W. Thomas Reeder, Director, Pension Benefit Guaranty Corporation. “United Mine Workers of America 1974 Pension Plan.” Letter to: Representative David McKinley. 2016 January 27 (Washington, DC).

Fortunately, we can help avoid this outcome by passing the Miners Protection Act. This bill amends the Surface Mining Control and Reclamation Act to transfer funds in excess of the amounts needed to meet existing obligations under the Abandoned Mine Land fund to the UMWA 1974 Pension Plan to prevent its insolvency. It also enhances reporting requirements by the Pension Plan to the Secretary of Treasury and the PBGC.

The bill also makes certain retirees who lose health care benefits following the bankruptcy or insolvency of his or her employer eligible for the 1993 Benefit Plan. The assets of Voluntary Employee Benefit Association (VEBA) created following the Patriot Coal bankruptcy would be transferred to the 1993 Benefit Plan to reduce transfers from the AML fund.

The bill is fully offset.

The Miners Protection Act is a bipartisan solution with Democratic and Republican co-sponsors.

Our coal miners are some of the hardest-working people in America and they have dedicated their lives to powering our nation and keeping it the strongest in the world. We have a responsibility to protect their hard-earned pensions and health benefits.

Thank you Chairman Hatch, Ranking Member Wyden and members of the Committee for your consideration of this critically important legislation. I urge you to support this legislation and I invite you to join me in an effort to secure passage by the full Senate.