

Committees:

Finance and Appropriations, Ranking Member
Agriculture and Rural Development
Ways and Means

Member of the State Controlling Board



Contact Information:

Office: 614-466-3735
Toll-Free: 1-800-282-0253
FAX: 614-719-6995
Email: rep96@ohiohouse.gov

JACK CERA

State Representative

77 S. High Street, Columbus, Ohio 43215-6111
www.house.state.oh.us

House Concurrent Resolution 5 - To Urge Congress to Enact The American Miners Act of 2019

Rep. Jack Cera – Sponsor Testimony

House Committee on Federalism

Wednesday, March 13, 2019

Chairman Becker, Vice Chairman Stoltzfus, Ranking Member Miller, and Members of the Federalism Committee, I am here today to speak about the importance of urging the U.S. Congress to enact Senate Bill 27, the American Miners Act of 2019. It is crucial that the promises made in past federal legislation are kept and that miners do not lose their health care or pensions.

Ohio's coal miners have worked hard for generations to provide for their families. Every day, men and women go underground to ensure that our country has affordable electricity—doing one of the most dangerous jobs in our region. It is important for us to thank and honor them for their commitment to ensuring that we all have continued access to such a fundamental resource: coal, and by extension - light and power.

The 2008 financial crisis and subsequent coal company bankruptcies have threatened the pensions of the country's retired miners under the 1974 United Mine Workers of America Pension Plan. The more recent coal company bankruptcies have put miners' health care at risk.

US Senate Bill 27 ensures the solvency of the 1974 Pension Plan, extends the Black Lung Disability Fund, and ensures miners will not lose their health care with recent coal company bankruptcies. These are concrete steps that U.S. Congress can take to secure the health and livelihood of our country's miners.

This resolution is a simple way for the Ohio Legislature to honor the legacy of our state's coal miners and their sacrifices to create affordable energy for our state and country. Their work was fundamental in bringing us to where we are as a state today, and they deserve to be recognized for all that they have done.

Chairman Becker, Vice Chairman Stoltzfus, Ranking Member Miller, members of the committee, thank you for your time today. I respectfully ask for your support on this resolution and I will be glad to address any of your questions.

The American Miners Act of 2019

As a result of the 2008 financial crisis and coal bankruptcies, our nation's retired miners are at risk of losing their hard-earned pension benefits. The United Mine Workers of America (UMWA) 1974 Pension Plan is on the road to insolvency by 2022 – and even sooner if we see additional bankruptcies.

Our nation's coal miners made a commitment to provide our nation with the energy we needed to power our nation to prosperity. They did so time and time again even when it risked their health and their lives. It is time for us to keep our full promise to them and ensure their pension benefits are not lost.

Protecting American Miners

This bill amends the Surface Mining Control and Reclamation Act of 1977 to transfer funds in excess of the amounts needed to meet existing obligations under the Abandoned Mine Land fund to the 1974 Pension Plan to prevent its insolvency. It also raises the cap on these funds from \$490 million to \$750 million to ensure that there is sufficient funding. The legislation would protect the pensions of 87,000 current beneficiaries and 20,000 more who have vested for their pensions but have not yet begun drawing them.

It would also ensure that the miners who are at risk due to the 2018 bankruptcies of both Westmoreland and Mission will not lose their healthcare. This bill amends the Coal Act to include 2018 bankruptcies in the miners' healthcare fix that passed in 2017.

The bill is fully paid for through two provisions:

1. By extending for ten years the Black Lung Disability Trust Fund tax at \$1.10 per ton of underground-mined coal and \$0.55 per ton of surface-mined coal (up to 4.4% of the sales price). This tax is critical for supporting the Black Lung Disability Trust fund, which provides healthcare and benefits to more than 25,000 miners and their dependents.
2. By permitting in-service distributions under a pension plan or a governmental section 457(b) plan at age 59½, thus making the rules for those plans consistent with the rules for section 401(k) plans and section 403(b) plans.

Facts Regarding the 1974 Pension Plan

1. The fund was started in 1946 under an executive order of President Harry Truman and constituted a federal guarantee to the health and welfare of coal miners, creating a “last man's standing” multi-employer and retirement system for them and their dependents.
2. In 1974, the Employment Retirement Income and Security Act of 1974 caused the above-mentioned fund to split into two separate funds, with the 1974 Pension Plan providing pension benefits to eligible miners who worked on or after January 1, 1976.
3. As a result of extremely depressed coal markets, coal company bankruptcies, layoffs, consolidation, an oppressive regulatory environment and other factors there has been a dramatic decrease the level of employer contributions to the 1974 Plan.

The need to act now

As both UMWA and industry representatives have educated Members of Congress and their staffs, if the UMWA 1974 Pension Plan collapses beneficiaries and their dependents will be dropped into the Pension Benefit Guaranty Corporation (PBGC), destroying that program and requiring the American taxpayer to foot the bill instead of the private sector companies. UMWA 1974 Plan actuaries currently expect the Plan to become insolvent in the 2022-2023 time-frame, however any market downturn will rapidly accelerate insolvency.