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## **ROCKEFELLER REINFORCES NEED TO PROTECT PROMISES MADE TO WORKERS AFTER PATRIOT COAL RULING**

### **Senator's Bill Would Hold Employers Accountable, Protect Workers? Pensions**

WASHINGTON, D.C. – Senator Jay Rockefeller today shed more light on the implications of yesterday's ruling by Judge Kathy A. Surratt-States of the U.S. Bankruptcy Court for the Eastern District of Missouri that allows Patriot Coal to back out of its collective bargaining agreement with the United Mine Workers of America (UMWA).

“Miners who have given their lives to this industry are now facing terrifying uncertainties over their health care, pensions, and pocketbooks,” said Senator Rockefeller. “I am deeply disappointed by this outcome and what it means for our miners directly impacted by this decision and all workers who have experienced the unfairness of our bankruptcy system. Fighting for our workers and reforming our bankruptcy system go hand in hand, and I will continue to be front and center on this effort.”

Yesterday's decision gives Patriot Coal the ability to change the terms of its union contract, including the benefits it provides for both employees and retirees. In addition to wage reductions for employees, the court approved Patriot's proposal to make devastating modifications to health care benefits and limit its future pension obligations.

While the decision was a serious setback for workers, it also makes clear that Congress must act to protect the benefits that they've earned. Judge Surratt-States acknowledged the very real hardships these miners face and pointed to Senator Rockefeller's *Coal Accountability and Retired Employee (CARE) Act*, introduced earlier this year, as the leading proposal in Congress that can solve the problems created by the Patriot case.

“Judge Surratt-States and I can agree on one thing – that in return for decades of tireless and dedicated work, retirees were promised a lifetime of health care benefits that were jeopardized by the current bankruptcy system before they even signed up for them,” said Senator Rockefeller. “Without Congressional action on legislation that protects worker benefits, we are going to see this same devastating situation happen again. I urge my West Virginia colleagues in the House of Representatives to support Congressman Rahall's companion to my bill, which Senator Manchin is cosponsoring and would give thousands of West Virginia miners security and peace of mind.”

Senator Rockefeller has joined UMWA and other leading miner advocates in expressing skepticism over Patriot Coal. The company is a spin-off of Peabody Energy and Arch Coal, which unloaded their promised pension and health care costs onto the new company.

Last year, Patriot Coal announced that it was facing bankruptcy and as part of that process asked for federal judicial intervention so that it could shed its obligations to retirees. Given yesterday's ruling, this means more than 12,000 retired miners, including nearly 7,000 West Virginians – the vast majority of whom never worked for Patriot – and their dependents are facing the loss of health benefits, and a further chipping away of the 1974 pension plan.

To address the crisis around pensions and health care for retired miners, Senator Rockefeller introduced the *CARE Act* to provide certainty and peace of mind to retirees and their families. In addition to holding employers accountable for the commitments they make to their workers, Rockefeller's bill would:

- Amend 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;
- Make any union retiree who loses benefits following the bankruptcy or insolvency of his or her employer eligible for the 1992 Benefit Plan, which was established under the Coal Act and provides health benefits to retired or disabled miners and their families; and,
- Provide that employer contributions are not unfairly penalized by the tax code and receive the same tax-exempt treatment as contributions to other pension plans, allowing the full value of employer cash contributions to go to the retirees who earned them.

Rockefeller's efforts through the *CARE Act* build upon a longstanding record of steadfastly pursuing fairness for miners and their loved ones. He engineered passage of the 1992 Coal Act, which preserved health benefits for up to 200,000 retired miners and their widows who had been promised these benefits by both the federal government and their companies, some of whom believed they shouldn't have had to keep this pledge. Rockefeller again led the charge in 2006 to protect these health care plans from insolvency by allowing Abandoned Mine Land funding to be used to pay for retired miners' health care.

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