

7/24/19

Statement by Rep. David B. McKinley, P.E.

Natural Resources Hearing on HR 935

SUBCOMMITTEE CHAIRMAN LOWENTHAL, RANKING MEMBER GOSAR AND MEMBERS OF THE COMMITTEE: THANK YOU FOR ALLOWING ME TO SPEAK THIS MORNING IN SUPPORT OF H.R. 935: THE MINERS PENSION PROTECTION ACT.

FOR THE LAST SIX YEARS, I HAVE INTRODUCED LEGISLATION AND LED THE FIGHT ON THIS ISSUE.

TODAY IS A MILESTONE – THE FIRST COMMITTEE HEARING IN THE HOUSE ABOUT THE MINERS PENSION CRISIS.

I’VE MADE THE ANALOGY OF THE MINE WORKERS PENSION ISSUE BEING LIKE A CHECK ENGINE LIGHT.

FOR TOO LONG CONGRESS HAS IGNORED THE BLINKING WARNING LIGHTS.

IF WE LET IT GO MUCH LONGER WE RISK MORE DAMAGE, AND COSTLIER FIXES.

CONGRESS CAN DO THE RESPONSIBLE THING, PASS THIS BILL AND SOLVE THIS NAGGING ISSUE.

“HOW DID WE GET HERE?”

LET ME START BY EMPHASIZING: THE PROBLEM WITH THE UNITED MINE WORKERS PENSION WAS NOT CAUSED BY THE MINERS.

THIS WAS NOT OF THEIR MAKING.

IT WAS NOT CAUSED BY THEIR EMPLOYERS EITHER.

THIS PROBLEM WAS IN LARGE PART BROUGHT ON BY GOVERNMENT POLICY.

OVER THE PAST DECADE, REGULATIONS AND SUBSIDIES OF COMPETING ENERGY SOURCES BROUGHT ON THE CLOSURE OF HUNDREDS OF COAL-FIRED POWER PLANTS.

ACCORDING TO A RECENT STUDY BY ACCCE, 63% OF THESE CLOSURES CAN BE ATTRIBUTED TO REGULATIONS.

AT THE SAME TIME, PRODUCTION OF SHALE GAS GREW RAPIDLY, CAUSING A GLUT THAT KEPT GAS PRICES LOW AND DEPRESSED THE USE OF COAL.

THIS LED TO MORE THAN FIFTY BANKRUPTCIES OF COAL PRODUCERS, INCLUDING 3 SINCE MAY.

AS A RESULT, FEWER COMPANIES ARE PAYING INTO THE PENSION FUND.

ALL OF THIS HAPPENED AT A TIME WHEN THE PENSION FUND STRUGGLED TO REBOUND FROM THE 2008 FINANCIAL CRISIS.

THERE ARE PROBLEMS WITH THE MULTIEMPLOYER PENSION SYSTEM BEYOND THE UMWA FUND.

HOWEVER, WE ARE HERE TODAY TO FOCUS ON THIS SPECIFIC PROBLEM. AND THE UMWA'S SITUATION IS DIFFERENT THAN MANY OF THE OTHER TROUBLED FUNDS.

GIVEN THE FEDERAL GOVERNMENT'S ROLE IN MAKING THIS SITUATION WORSE, CONGRESS HAS AN OBLIGATION TO HELP FIX IT.

DATING BACK TO THE TRUMAN ADMINISTRATION, THERE IS ALSO A LONG PRECEDENT OF THE FEDERAL GOVERNMENT'S INVOLVEMENT IN THE UMWA FUNDS.

SO, THE QUESTION IS, WHAT CAN CONGRESS DO ABOUT IT?

IF WE DO NOTHING: IN LESS THAN THREE YEARS THE UMWA PENSION FUND WILL BE INSOLVENT.

PENSIONERS WOULD GO TO THE PENSION BENEFIT GUARANTEE FUND, AND OVER 100,000 RETIREES AND WIDOWS WOULD SEE DEEP BENEFIT CUTS.

WE HAVE A LETTER FROM THE PBGC TELLING US THAT THIS WILL CAUSE THE PBGC TO GO UNDER IN 1-3 YEARS, CAUSING A MUCH LARGER PROBLEM.

DOING NOTHING WILL NOT ONLY HURT RETIRED MINERS, IT PUTS AT RISK HUNDREDS OF THOUSANDS OF OTHER PENSIONERS.

AGAIN, THIS BILL IS NOT A SOLUTION TO THE BROADER CHALLENGES TO THE MULTIEMPLOYER PENSION SYSTEM.

BUT IT DOES ADDRESS THE CRISIS RIGHT IN FRONT OF US – THE FIRST MAJOR INSOLVENCY.

AND IT DOES SO WITH A FUNDING SOURCE THAT IS UNIQUE TO THE COAL INDUSTRY. ONE THAT ALREADY GOES TO UMWA HEALTH AND RETIREMENT FUNDS.

MOREOVER, IT DOES NOT CHANGE PAYMENTS FROM THE AML FUND THAT STATES FROM WYOMING TO WEST VIRGINIA COUNT ON.

LET'S TAKE A STEP BACK. IT'S EASY TO LOOK AT THIS CRISIS AS NUMBERS ON PAPER, DOLLARS AND CENTS.

BUT IT IS TRULY ABOUT PEOPLE.

LOOK AT THE MEN AND WOMEN IN FRONT OF YOU IN THIS ROOM TODAY.

THEY SPENT THEIR LIFETIME POWERING OUR COUNTRY, DOING DIFFICULT AND OFTEN DANGEROUS WORK.

THEY WERE PROMISED THESE BENEFITS WOULD BE THERE FOR THEM IN RETIREMENT.

WE ARE NOT TALKING ABOUT UNREASONABLE, GOLD-PLATED BENEFITS – THE AVERAGE MONTHLY PENSION IS ONLY \$586.

THESE RETIREES COUNT ON THESE BENEFITS TO PAY FOR MEDICINE, GROCERIES, UTILITY BILLS.

MORE THAN SEVENTY YEARS AGO A PROMISE WAS MADE BY THE FEDERAL GOVERNMENT.

A PROMISE MADE SHOULD BE A PROMISE KEPT.

THESE MEN AND WOMEN DESERVE BETTER.

CONGRESS SHOULD KEEP OUR PROMISE AND FINALLY PASS THIS BILL.