

A huge coal miners' pension plan is on the brink of failure. One senator is blocking a fix.

Despite bipartisan support for a plan to save the workers' retirement and healthcare, Majority Leader Mitch McConnell stands in the way.

By **Joby Warrick** and **Lydia DePillis** February 9, 2016

When Sen. Mitch McConnell strode into the Capitol for last month's State of the Union speech, he took with him a guest whose presence was sure to be seen as a slap against the Obama administration and its policies on coal.

"I brought along this unemployed coal miner here," McConnell (R-Ky.) said, gesturing to fourth-generation mineworker Howard Abshire, "to see the person who put him out of work."

The Senate majority leader said he wanted to call attention to President Obama's "heartless" regulations that he argues have devastated communities in Abshire's native eastern Kentucky. Yet just weeks earlier, McConnell's office had delivered its own blow to Appalachian coal towns: It blocked efforts to rescue health and pension funds on which thousands of retired and disabled miners rely.

A plan that would ensure the solvency of the funds nearly made it through Congress in December as part of the bipartisan budget deal that cleared both chambers. But the bailout attempt — backed by key lawmakers from both political parties — was excluded from the deal at McConnell's request, according to four Senate officials directly familiar with the events.

McConnell's spokesman does not dispute that telling of events. And McConnell has not publicly explained his opposition to the measure.

Legislators from coal states had pressed for federal help to prevent what some have described as a looming national crisis: The United Mine Workers of America's retirement and health-care funds currently support about 120,000 former miners and their families nationwide, but the account balances have rapidly declined as some coal companies shed dues-paying workers and

others filed for bankruptcy protection. Without intervention, some of the funds — chiefly those associated with firms in bankruptcy — could run out of cash before spring, Congressional officials say.

McConnell has repeatedly clashed with the UMWA, the union that administers the funds. Two years ago, UMWA officials donated heavily to his political rival, Democrat Alison Grimes, during McConnell's successful reelection bid.

During December's bipartisan budget agreement, his stance was clear.

"It was a no-go issue for McConnell," said a senior Senate aide with direct knowledge. Three other Democratic congressional officials confirmed his opposition to the measure. The officials spoke on the condition of anonymity citing the sensitive nature of the budget negotiations.

His spokesman defended McConnell's record on issues affecting coal miners, saying "nobody has fought harder" on their behalf. "He remains committed to the important goal of helping to ensure the retirement security of all retirees in this and other industries," spokesman Robert Steurer said.

Steurer said McConnell continues to discuss a resolution to the pension crisis, but added, referring to the senator's guest at last month's speech: "Shoring up UMWA retiree funds does not get Howard his job back, which he lost due to this administration's harmful policies."

McConnell has joined other Republicans as well as Democrats in pushing for a variety of measures to help Appalachian communities strained by the loss of coal jobs. A bill introduced last week with bipartisan backing would earmark \$1 billion for job creation and economic development for coal communities.

"For the families that depended on mining jobs, benefits and pensions that have disappeared as coal companies have closed their operations, we must act to provide new opportunities," co-sponsor Rep. Matt Cartwright (D-Pa.) said.

Still, some workers fear losing the \$530 average monthly benefit that keeps them off the welfare roll. David McCloud, a retired miner-turned-preacher from Harts, W.Va., said losing benefits would break a promise made to coal miners decades ago, with the federal government acting as a guarantor.

"When we retired, I said, 'At least we've got our health care, we've got our insurance and our pensions like I told you we would,'" said McCloud, 65, recalling conversations with his wife, Dinah, when he left the mines a decade ago.

"They're trying to make a liar out of me," he said, "because they're taking that away from us."

Coal state politics

The pension fund flap is the latest in a series of policy disputes between McConnell and other lawmakers — including some from his own party — over how best to help workers in an industry facing historic retrenchment. Thousands of Appalachian

miners have been laid off in recent months as coal companies sink under a tide of bad economic news.

McConnell has repeatedly likened the White House's environmental regulations to a "war on coal." Most economists pin the industry's problems on a host of factors, including shrinking Asian demand, falling natural gas prices and cheap Western coal that costs far less to mine. Regulations also have played a role, analysts say, as more utility companies shift from coal to cleaner forms of energy.

Last year, the Obama administration proposed an infusion of aid to hard-hit mining states under an initiative dubbed "Power Plus," which calls for more than \$1 billion in spending for job training and economic development as well as shoring up for workers' pensions and health funds. Administration officials reintroduced the proposal in the 2017 budget plan unveiled on Tuesday.

"Benefit cuts to this very large group of retirees, who are the poorest and most vulnerable pensioners in the country . . . would violate the commitment we have made," said Jason Walsh, a senior White House economic adviser.

Republican leaders have shown little interest in backing initiatives from a White House they view as adversarial to coal. But some Republicans, most notably Kentucky's Rep. Harold Rogers, the House Appropriations Committee chairman, have pushed for congressional approval of key elements of the plan, including an appropriations in the December budget deal to expand job training and Internet access in the coal belt and to hire ex-miners to clean up abandoned mines.

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McConnell has focused on blocking the administration's environmental regulations, even urging the nation's governors last year to boycott new rules intended to cut pollution from coal-fired power plants. He's even suggested that the coal mining would return if environmental regulations were reversed.

"We have a depression in central Appalachia, eastern Kentucky and West Virginia as a result the president's policies, not as a result of any legislation that Congress passed," McConnell told reporters on Jan. 12.

Union officials and worker advocacy groups have accused McConnell of showing indifference to miners even as he campaigns on behalf of coal interests.

“Too often, he is unwilling to talk about anything but Obama’s supposed ‘war on coal,’ suggesting that, without Obama, the jobs would come back and everything would be fine,” said Thom Kay, legislative associate for Appalachian Voices, a nonprofit that promotes economic revitalization for coal states. “On the ground, most people are done with that. It’s widely understood that the industry is not coming back, and people want to hear some actual solutions.”

A historic commitment

The mineworkers’ pension funds are not the only one in danger of foundering. The Labor Department has placed hundreds in other industries on its list of funds in such poor condition that benefits may be reduced.

The UMWA funds, however, are the only ones that the federal government has promised over the years to not let go out of business. After World War II, with miners threatening to strike, President Harry S. Truman ordered his secretary of the interior to negotiate an agreement with the president of the union on pension and healthcare benefits. Decades later, in 1992, Congress passed the Coal Act, requiring companies to continue contributing to pension plans for all covered retired employees.

For many, the laws helped make coal mining tenable as a profession, despite its many dangers. Yet the promise of lifelong health and retirement benefits now is being undercut as pension and health accounts shed assets. After years of decline in union jobs, there is now only a single active employee for every 13 retirees. At the same, some mining companies have been granted relief from paying into the accounts under bankruptcy rules.

If the mineworkers’ funds dry up, the financial obligations would then fall to the federally chartered Pension Benefit Guarantee Corporation, but some economists fear that the federal funds could also falter under the increased demand.


For retired miners and family members, such an outcome would violate promises for security for themselves and their family, in exchange for the risks borne by men and women who spent their working lives underground.

Dinah McCloud, the wife of retired miner David McCloud, said she had sworn as a young woman never to marry a coal miner — a childhood of wondering every night whether her father would come back from work deep underground convinced her it wasn’t worth the heartache. But when she fell in love with one anyway, he promised her that whatever hardships might come, their old age would be taken care of.

Now she sees those assurances fading.

“For a few in Congress — and I will mention a name, Mitch McConnell is one of them — that keeps this bill from going through — why he wants to hold people hostage for something like this, I don’t understand it,” she said.

Correction: This article previously identified Rep. Matt Cartwright as a Republican. He is a Democrat.

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