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July 27, 2018

The Honorable Orrin Hatch, Co-Chair
Joint Select Committee on the Solvency of
Multi-Employer Pension Plans

The Honorable Sherrod Brown, Co-Chair
Joint Select Committee on the Solvency of
Multi-Employer Pension Plans

Dear Co-Chairs Hatch and Brown:

Thank you for your service as co-chairs of the Joint Select Committee on the Solvency of Multi-Employer Pension Plans. You and the other members of this Committee are to be commended for taking on the very important challenge of ensuring that millions of retired Americans receive the pension benefits they earned through decades of hard work.

We understand that the Committee has largely concluded its fact-finding phase, and is beginning its work to develop solutions to this looming crisis by the November 30 deadline. It is vital that the committee work in a bipartisan manner and reach a solution. Failure to do so would send exactly the wrong message to retirees whose pensions are at risk now, and those who are counting on their pensions in the future.

While we are concerned about all retirees whose pension are facing insolvency, we are particularly focused on the more than 100,000 coal miners and retirees covered by the UMWA 1974 Pension Plan. These workers put their lives on the line every day, going underground in dark, dangerous workplaces to produce the fuel that has powered our nation's economic engine for decades. Most of them have occupational diseases or injuries, or are the widows of those who died from those diseases.

The average pension for a retired coal miner under this plan is just \$582 per month. This fund cannot take advantage of the remedies provided in the 2014 Multi-Employer Pension Relief Act (MPRA) because of the high number of orphans in the Fund and the low average level of pensions. The Fund cannot certify that MPRA remedies will keep it from insolvency.

The UMWA 1974 Fund also cannot count on higher employer contributions to help. Because of a series of coal industry bankruptcies over the last several years, the Fund has only one major employer and a handful of smaller employers who are paying into it. Increasing employer contributions to the levels needed to make the Fund secure would be impossible.

As you also know from testimony before your Committee, the UMWA 1974 Plan is projected to become insolvent in 2022. While that seems far off, in reality it is not. Any further shocks to the

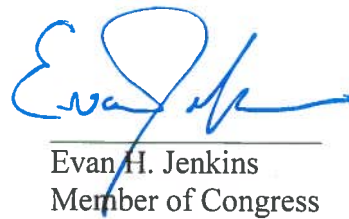
coal industry or investment markets will hasten that insolvency. There really is no more time to wait to solve this problem for retired miners and widows.

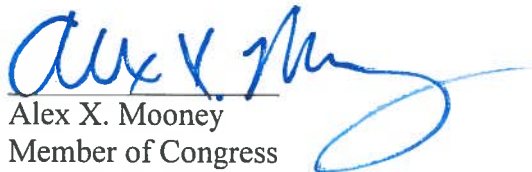
Failing to address this issue today will only lead to higher costs later, either through direct assistance to the 1974 Plan or to the Pension Benefit Guaranty Corporation (PBCG). As you know, the PBGC's multiemployer insurance program is itself projected to become insolvent within the next decade, largely due to the pending insolvencies of the UMWA 1974 Plan in 2022 and then the Teamsters Central States Plan several years later. Action by your committee to take those plans off the path to insolvency would make fixing the PBGC's funding issues vastly simpler and less expensive.

We understand the tremendous scope of the challenges your Committee confronts, and again commend you and the others on the Committee for volunteering to work to solve this critical issue. We look forward to reviewing the Committee's recommendations later this year.

Sincerely,


David B. McKinley, P.E.
Member of Congress


Evan H. Jenkins
Member of Congress

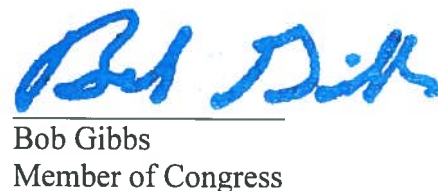

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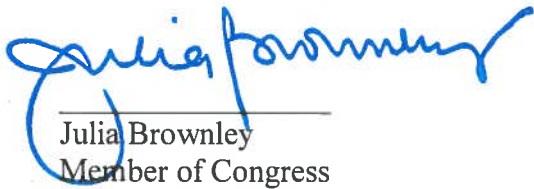
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cc: Members, Joint Select Committee on the Solvency of Multi-Employer Pension Plans
Speaker Paul Ryan
Minority Leader Nancy Pelosi