

107TH CONGRESS  
1ST SESSION

# H. R. 3567

To amend the Internal Revenue Code of 1986 and the Surface Mining Control and Reclamation Act of 1977 to protect the health benefits of retired miners and to restore stability and equity to the financing of the United Mine Workers of America Combined Benefit Fund and 1992 Benefit Plan by providing additional sources of revenue to the Fund and Plan, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 20, 2001

Ms. PRYCE of Ohio (for herself, Mr. ARMEY, Mr. CAMP, Mr. DELAY, Ms. DUNN of Washington, Mr. HALL of Texas, Mr. POMEROY, and Mr. SESSIONS) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 and the Surface Mining Control and Reclamation Act of 1977 to protect the health benefits of retired miners and to restore stability and equity to the financing of the United Mine Workers of America Combined Benefit Fund and 1992 Benefit Plan by providing additional sources of revenue to the Fund and Plan, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE, ETC.**

2 (a) SHORT TITLE.—This Act may be cited as the  
 3 “Coal Industry Retiree Health Benefit Stability and Fair-  
 4 ness Act”.

5 (b) AMENDMENT OF 1986 CODE.—Except as other-  
 6 wise expressly provided, whenever in this Act an amend-  
 7 ment or repeal is expressed in terms of an amendment  
 8 to, or repeal of, a section or other provision, the reference  
 9 shall be considered to be made to a section or other provi-  
 10 sion of the Internal Revenue Code of 1986.

11 (c) TABLE OF CONTENTS.—The table of contents for  
 12 this Act is as follows:

Sec. 1. Short title, etc.

#### TITLE I—FINANCING PROVISIONS

##### Subtitle A—Federal Funds

Sec. 101. Mandatory transfer of general funds to Combined Benefit Fund and the 1992 Fund.

Sec. 102. Annual audit.

Sec. 103. Appointment of Government trustees.

##### Subtitle B—Premiums

Sec. 111. Elimination of unassigned beneficiaries premium.

Sec. 112. Refunds to certain operators.

Sec. 113. Reduction in annual premiums to Combined Benefit Fund if surplus exists.

Sec. 114. Refund of contributions paid by certain small entities to United Mine Workers Combined Benefit Fund.

Sec. 115. First year payments of 1988 operators.

Sec. 116. Liability in the event of pre-funding.

Sec. 117. Definition of successor in interest.

#### TITLE II—RETROACTIVE PROVISIONS

Sec. 201. Reform of retroactive provisions of Coal Industry Health Benefit System.

4 SEC. 101. MANDATORY TRANSFER OF GENERAL FUNDS TO  
5 COMBINED BENEFIT FUND AND THE 1992  
6 FUND.

7 (a) IN GENERAL.—Subsection (b) of section 9705  
8 (relating to transfers to the Combined Benefit Fund) is  
9 amended to read as follows:

10        "(b) MANDATORY TRANSFERS FROM GENERAL  
11 FUND —

12                   “(1) IN GENERAL.—There are hereby author-  
13                   ized and appropriated, out of any amounts in the  
14                   Treasury not otherwise appropriated, to the Com-  
15                   bined Fund and the UMWA 1992 Benefit Plan such  
16                   sums as may be necessary to—

17                   “(A) pay any benefit or administrative  
18 costs of unassigned beneficiaries of the Com-  
19 bined Fund.

20                   “(B) pay any benefit or administrative  
21                   costs of unassigned beneficiaries of the 1992  
22                   UMWA Plan, and

23                             “(C) eliminate any annual deficit in any  
24                             premium account of the Combined Fund as cer-  
25                             tified by the Trustees of the Combined Fund.

1       Deficits referred to in subparagraph (C) shall be  
2       certified by the trustees only after utilizing and tak-  
3       ing into account all premiums and other government  
4       reimbursements to the Fund.

5           “(2) USE OF FUNDS.—Any amounts trans-  
6       ferred under paragraph (1) shall be available, with-  
7       out fiscal year limitation.

8           “(3) TRANSFER.—The Secretary of the Treas-  
9       ury shall transfer amounts appropriated under para-  
10       graph (1) on October 1 of each fiscal year.”.

11       (b) EFFECTIVE DATE.—The amendment made by  
12       subsection (a) shall take effect on the date of the enact-  
13       ment of this Act.

14 **SEC. 102. ANNUAL AUDIT.**

15       (a) IN GENERAL.—Section 9702 (relating to estab-  
16       lishment of the Combined Fund) is amended by adding  
17       at the end the following:

18           “(d) ANNUAL AUDIT.—

19           “(1) AUDIT.—The Comptroller General of the  
20       United States shall conduct an annual audit of the  
21       Combined Fund. Such audit shall include—

22               “(A) a review of the progress the Com-  
23       bined Fund is making toward a managed care  
24       system as required under this subchapter, and

1                   “(B) a review of the use of, and necessity  
2                   for, amounts transferred to the Combined Fund  
3                   under section 9705(c).

4                   “(2) REPORT.—The Comptroller General shall  
5                   report the results of any audit under paragraph (1)  
6                   to the Secretary of the Treasury and to the appro-  
7                   priate committees of Congress, including its rec-  
8                   ommendations (if any) as to any administrative sav-  
9                   ings which may be achieved without reducing the ef-  
10                   fective level of benefits under section 9703.”.

11                   (b) EFFECTIVE DATE.—The amendment made by  
12                   subsection (a) shall apply to years beginning after the date  
13                   of the enactment of this Act.

14 **SEC. 103. APPOINTMENT OF GOVERNMENT TRUSTEES.**

15                   (a) IN GENERAL.—Section 9702(b) (relating to the  
16                   Board of Trustees) is hereby amended by adding the fol-  
17                   lowing new subparagraph:

18                   “(D) 2 persons designated by the Sec-  
19                   retary of the Treasury.”.

20                   (b) EFFECTIVE DATE.—The amendment made by  
21                   subsection (a) shall take effect on the date of the enact-  
22                   ment of this Act.

## 1                   **Subtitle B—Premiums**

### 2   **SEC. 111. ELIMINATION OF UNASSIGNED BENEFICIARIES**

#### 3                   **PREMIUM.**

4                   Section 9704(d) (establishing unassigned bene-  
5 ficiaries premium) is amended to read as follows:

#### 6                   **“(d) UNASSIGNED BENEFICIARIES PREMIUM.—**

7                   **“(1) PLAN YEARS ENDING ON OR BEFORE SEP-**  
8                   TEMBER 30, 2001.—For plan years ending on or be-  
9                   fore September 30, 2001, the unassigned bene-  
10                   ficiaries premium for any assigned operator shall be  
11                   equal to the applicable percentage of the product of  
12                   the per beneficiary premium for the plan year multi-  
13                   plied by the number of eligible beneficiaries who are  
14                   not assigned under section 9706 to any person for  
15                   such plan year.

16                   **“(2) PLAN YEARS BEGINNING ON OR AFTER OC-**  
17                   TOBER 1, 2001.—For plan years beginning on or  
18                   after October 1, 2001, there shall be no unassigned  
19                   beneficiaries premium.”.

### 20   **SEC. 112. REFUNDS TO CERTAIN OPERATORS.**

21                   (a) **IN GENERAL.**—Section 9704 (relating to the li-  
22                   ability of assigned operators) is further amended by add-  
23                   ing at the end the following new subsection:

24                   “(j) The Combined Fund shall, before December 31,  
25                   2001, refund to an assigned operator which was an as-

1 signed operator prior to the date of the enactment of this  
2 subsection (and any related person to such operator) an  
3 amount equal to the sum of—

4           “(1) any amount paid by such operator or per-  
5 son to the Combined Fund (and not previously re-  
6 funded) by reason of the operator having been a sig-  
7 natory to a pre-1974 coal wage agreement, and

8           “(2) interest on the amount under paragraph  
9           (1) at the overpayment rate established under sec-  
10          tion 6621 for the period from the payment of such  
11          amount to the refund under this subsection.”.

12          (b) EFFECTIVE DATE.—The amendment made by  
13 subsection (a) shall take effect on the date of the enact-  
14 ment of this Act.

15 **SEC. 113. REDUCTION IN ANNUAL PREMIUMS TO COM-**  
16 **BINED BENEFIT FUND IF SURPLUS EXISTS.**

17          (a) IN GENERAL.—Part II of subchapter B of chap-  
18 ter 99 (relating to financing of Combined Benefit Fund)  
19 is amended by inserting after section 9704 the following  
20 new section:

21 **“SEC. 9704A. REDUCTIONS IN HEALTH BENEFIT PREMIUM**  
22 **IF SURPLUS EXISTS.**

23          “(a) GENERAL RULE.—If this section applies to any  
24 plan year, the per beneficiary premium used for purposes  
25 of computing the health benefit premium under section

1 9704(b) for the plan year shall be the reduced per bene-  
2 ficiary premium determined under subsection (c).

3       **“(b) YEARS TO WHICH SECTION APPLIES.—**

4       **“(1) IN GENERAL.—**This section applies to any  
5 plan year beginning after September 30, 2001, if the  
6 trustees determine that the Combined Fund has an  
7 excess reserve for the plan year.

8       **“(2) EXCESS RESERVE.—**For purposes of this  
9 section—

10       **“(A) IN GENERAL.—**The term ‘excess re-  
11 serve’ means, with respect to any plan year, the  
12 excess (if any) of—

13               “(i) the projected net assets as of the  
14 close of the test period for the plan year,  
15 over

16               “(ii) the projected 3-month asset re-  
17 serve as of such time.

18       **“(B) PROJECTED NET ASSETS.—**For pur-  
19 poses of subparagraph (A)(i), the projected net  
20 assets shall be the amount of the net assets  
21 which the trustees determine will be available at  
22 the end of the test period for projected fund  
23 benefits. Such determination shall be made in  
24 the same manner used by the Combined Fund  
25 to calculate net assets available for projected

1 fund benefits in the Statement of Net Assets  
2 (Deficits) Available for Fund Benefits for pur-  
3 poses of the monthly financial statements of the  
4 Combined Fund for the plan year beginning Oc-  
5 tober 1, 2001.

6                             “(C) PROJECTED 3-MONTH ASSET RE-  
7 SERVE.—For purposes of subparagraph (A)(ii),  
8 the projected 3-month asset reserve is an  
9 amount equal to 25 percent of the projected ex-  
10 penses (including administrative expenses) from  
11 the health benefit premium account and unas-  
12 signed beneficiaries premium account for the  
13 plan year immediately following the test period.  
14 The determination of such amount shall be  
15 based on the 10-year forecast of the projected  
16 net assets and cash balance of the Combined  
17 Fund prepared annually by an actuary retained  
18 by the Combined Fund.

19                   “(D) TEST PERIOD.—For purposes of this  
20                   section, the term ‘test period’ means, with re-  
21                   spect to any plan year, the plan year, and the  
22                   following plan year.

23        "(c) REDUCED PER BENEFICIARY PREMIUM.—For  
24 purposes of this section, the reduced per beneficiary pre-  
25 mium for any plan year to which this section applies is

1 the per beneficiary premium determined under section  
2 9704(b)(2) without regard to this section, reduced (but  
3 not below zero) by—

4           “(1) the excess reserve for the plan year, di-  
5 vided by

6           “(2) the total number of eligible beneficiaries  
7 which are assigned to assigned operators under sec-  
8 tion 9706 as of the close of the preceding plan year.

9           “(d) TERMINATION OF PREMIUM REDUCTION.—If,  
10 on any day during a plan year to which this section ap-  
11 plies, the Combined Fund has net assets available for pro-  
12 jected fund benefits (determined in the same manner as  
13 projected net assets under subsection (b)(2)(B)) in an  
14 amount less than the projected 3-month asset reserve de-  
15 termined under subsection (b)(2)(C) for the plan year—

16           “(1) this section shall not apply to months in  
17 the plan year beginning after such day, and

18           “(2) the monthly installment under section  
19 9704(g)(1) for such months shall be equal to the  
20 amount which would have been determined if the  
21 health benefits premium under section 9704(b) had  
22 not been reduced under this section for the plan  
23 year.”.

24           (b) CONFORMING AMENDMENTS.—

“Sec. 9704A. Reductions in health benefit premium if surplus exists.”.

8 (c) EFFECTIVE DATE.—The amendments made by  
9 this section shall apply to plan years of the Combined  
10 Fund beginning after September 30, 2001.

11 SEC. 114. REFUND OF CONTRIBUTIONS PAID BY CERTAIN  
12 SMALL ENTITIES TO UNITED MINE WORKERS  
13 COMBINED BENEFIT FUND.

14 (a) IN GENERAL.—Part II of subchapter B of chapter  
15 99 is amended by inserting after section 9704A the  
16 following new section:

17 "SEC. 9704B. REFUNDS OF ANNUAL PREMIUMS OF CERTAIN  
18 SMALL ENTITIES

19       “(a) GENERAL RULE.—The annual premiums paid  
20 by certain small entities under section 9704(a) shall, in  
21 the case of an eligible small entity which was an assigned  
22 operator prior to the date of the enactment of this section,  
23 be refunded as provided in subsection (b).

1       “(b) REFUNDS FOR ELIGIBLE SMALL ENTITIES  
2 WHICH WERE FORMERLY ASSIGNED OPERATORS.—

3           “(1) IN GENERAL.—To the extent an eligible  
4 small entity which was an assigned operator prior to  
5 October 1, 2001, has paid premiums to the Com-  
6 bined Fund, any such premiums shall be refunded  
7 by the Combined Fund.

8           “(2) YEARS TO WHICH SUBSECTION APPLIES.—  
9 This subsection shall apply to any plan year of the  
10 Combined Fund which began before October 1,  
11 2001.

12           “(3) ELIGIBLE SMALL ENTITIES.—For pur-  
13 poses of this section, the term ‘eligible small entity’  
14 means any entity which was an assigned operator  
15 prior to October 1, 2001, and, according to the  
16 records of the Combined Fund, such operator (or  
17 any related persons of such operator)—

18           “(A) was not a signatory to the 1981 or  
19 later National Bituminous Coal Wage Agree-  
20 ment or any ‘me too’ agreement related to such  
21 Coal Wage Agreement;

22           “(B) reported credit hours to the UMWA  
23 1974 Pension Plan on fewer than ten classified  
24 mine workers in every month during its last  
25 year of operations under the National Bitu-

1 minous Coal Wage Agreement of 1978 or any  
2 'me too' agreement related to such Coal Wage  
3 Agreement;

4 "“(C) has had not more than 60 bene-  
5 ficiaries, including eligible dependents of retired  
6 miners, assigned to it under section 9706 not  
7 including beneficiary assignments relieved by  
8 the Social Security Administration;

9 "“(D) was assessed premiums by the Com-  
10 bined Fund, made payments pursuant to those  
11 assessments, and has no delinquency as of Sep-  
12 tember 30, 2001; and

13 "“(E) is not directly engaged in the produc-  
14 tion or sale of coal and has no related person  
15 engaged in the production of coal as of Sep-  
16 tember 30, 2001.”.

17 (b) CONFORMING AMENDMENT.—The table of sec-  
18 tions for part II of subchapter B of chapter 99 is amended  
19 by inserting after the item relating to section 9704A the  
20 following new item:

“Sec. 9704B. Refunds of annual premiums of certain small enti-  
ties.”.

21 (c) EFFECTIVE DATE.—The amendments made by  
22 this section shall take effect on the date of the enactment  
23 of this Act.

1 **SEC. 115. FIRST YEAR PAYMENTS OF 1988 OPERATORS.**

2 (a) IN GENERAL.—So much of section 9704(i)(1)(D)

3 as precedes clause (ii) is amended to read as follows:

4 "“(D) PREMIUM REDUCTIONS AND RE-

5 FUNDS.—

6 "“(i) 1st YEAR PAYMENTS.—In the  
7 case of a 1988 agreement operator making  
8 payments under subparagraph (A)—9 "“(I) the premium of such oper-  
10 ator under subsection (a) shall be re-  
11 duced by the amount paid under sub-  
12 paragraph (A) by such operator for  
13 the plan year beginning February 1,  
14 1993, or15 "“(II) if the amount so paid ex-  
16 ceeds the operator's liability under  
17 subsection (a), the excess shall be re-  
18 funded to the operator before Decem-  
19 ber 31, 2001.”.20 (b) EFFECTIVE DATE.—The amendment made by  
21 subsection (a) shall take effect on the date of the enact-  
22 ment of this Act.23 **SEC. 116. LIABILITY IN THE EVENT OF PRE-FUNDING.**24 (a) IN GENERAL.—Section 9701(c)(2) is amended by  
25 adding the following new subparagraphs:

1                   “(C) EXCEPTION UPON ESTABLISHMENT  
2                   OF CERTAIN VOLUNTARY EMPLOYEES’ BENEFIT  
3                   ASSOCIATION.—In the event an association de-  
4                   scribed in section 501(c)(9) is established by a  
5                   signatory operator, or a related person to such  
6                   signatory operator, or a member of the con-  
7                   trolled group of corporations which includes the  
8                   signatory operator, and such association is de-  
9                   scribed in subparagraph (D), all persons consid-  
10                  ered to be related persons to such signatory op-  
11                  erator under subparagraph (A) shall perma-  
12                  nently cease to be considered related persons to  
13                  such signatory operator when—

14                  “(i) the balance of funds held by the  
15                  association, resulting from one or more  
16                  contributions to the association and earn-  
17                  ings thereon, equals or exceeds the sum  
18                  of—

19                  “(I) the present value of the total  
20                  premium liability of the signatory op-  
21                  erator for its assignees under section  
22                  9704 with respect to the Combined  
23                  Fund, plus

1                             “(II) the amount necessary to  
2                             pay administrative and other inci-  
3                             dental expenses of such association,  
4                             as determined by the association’s enrolled  
5                             actuary (as defined in section  
6                             7701(a)(35)), using actuarial methods and  
7                             assumptions each of which is reasonable  
8                             and which are reasonable in the aggregate,  
9                             as determined by such enrolled actuary;

10                            “(ii) a signed actuarial report is filed  
11                             with the Secretary by the association’s en-  
12                             rolled actuary containing—

13                            “(I) the date of the actuarial  
14                             valuation applicable to the report,

15                            “(II) a description of the funding  
16                             method and actuarial assumptions  
17                             used to determine costs of the associa-  
18                             tion,

19                            “(III) a statement by the en-  
20                             rolled actuary signing the report that  
21                             to the best of the actuary’s knowledge  
22                             the report is complete and accurate  
23                             and that in the actuary’s opinion the  
24                             actuarial assumptions used are in the  
25                             aggregate—

1                             “(aa) reasonably related to  
2                             the experience of the association  
3                             and to reasonable expectations,  
4                             and  
5                             “(bb) represent the actu-  
6                             ary’s best estimate of anticipated  
7                             experience of the association, and  
8                             “(IV) such other information as  
9                             may be necessary to fully and fairly  
10                            disclose the actuarial position of the  
11                            association;

12                            “(iii) security (in the form of a bond,  
13                            letter of credit, or cash escrow) is provided  
14                            to the trustees of the 1992 UMWA Benefit  
15                            Plan, solely for the purpose of paying pre-  
16                            miums for beneficiaries described in sec-  
17                            tion 9712(b)(2)(B), equal in amount to  
18                            one year’s liability of the signatory oper-  
19                            ator under section 9711, determined by  
20                            using the average cost of such operator’s  
21                            liability during its prior three calendar  
22                            years; and  
23                            “(iv) 30 calendar days have elapsed  
24                            after the report required by clause (ii) is  
25                            filed with the Secretary, along with a de-

6 The security described in clause (iii) shall re-  
7 main in place for a period of 5 years.

“(D) REQUIREMENTS FOR ASSOCIATION.—

9 An association is described in this subparagraph.  
10 graph if—

1                     “(ii) no part of the assets of the asso-  
2                     ciation may be used for, or diverted to, any  
3                     purpose other than the purpose described  
4                     in clause (i); and

5                     “(iii) payments from such association  
6                     for the purpose described in clause (i)(II)  
7                     shall only be made to the extent that—

8                     “(I) the signatory operator no  
9                     longer has an obligation to make pay-  
10                    ments under clause (i)(I); or

11                    “(II) during any annual account-  
12                    ing period of the association such pay-  
13                    ments do not exceed in the aggregate  
14                    90 percent of the excess between the  
15                    fair market value of the association’s  
16                    assets and the present value of the li-  
17                    ability described in clause (i)(I), both  
18                    determined as of the end of the asso-  
19                    ciation’s prior year annual accounting  
20                    period, as determined by the associa-  
21                    tion’s enrolled actuary (as defined in  
22                    section 7701(a)(35)), using actuarial  
23                    methods and assumptions each of  
24                    which is reasonable and which are

1                    reasonable in the aggregate, as deter-  
2                    mined by such enrolled actuary.

3                    “(E) OTHER RULES RELATING TO ASSO-  
4                    CIATIONS.—For purposes of an association de-  
5                    scribed in subparagraph (C)—

6                    “(i) if a payment is made under  
7                    clause (iii) of paragraph (D), an enrolled  
8                    actuary shall within 30 days after the end  
9                    of the association’s annual accounting pe-  
10                    riod file with the Secretary an actuarial re-  
11                    port containing the information described  
12                    in subparagraph (C)(ii) and a statement  
13                    that the requirements of subparagraph  
14                    (D)(iii) have been satisfied during the  
15                    prior year; and

16                    “(ii) a signatory operator, or member  
17                    of the controlled group of corporations  
18                    which includes such signatory operator,  
19                    which has previously established an asso-  
20                    ciation under section 501(c)(9) for pur-  
21                    poses including those set forth in subpara-  
22                    graph (D), may use funds from such pre-  
23                    viously established association to fund all  
24                    or a portion of the association established  
25                    pursuant to this section.”.

1       (b) CONFORMING AMENDMENT.—Section 419A(f)(5)  
2 is amended by adding before the comma in subparagraph  
3 (A) the following: “, which shall include an association es-  
4 tablished under section 9701(c)(2)(C)’.

5       (c) EFFECTIVE DATE.—The amendments made by  
6 this section shall apply with respect to associations estab-  
7 lished after the date of the enactment of this Act.

8 **SEC. 117. DEFINITION OF SUCCESSOR IN INTEREST.**

9       (a) IN GENERAL.—Subsection (c) of section 9701 is  
10 amended by adding at the end the following new para-  
11 graph:

12           “(8) SUCCESSOR IN INTEREST.—

13           “(A) SAFE HARBOR.—The term ‘successor  
14 in interest’ shall not include any person who is  
15 an unrelated person and, as a result of a bona  
16 fide, arm’s-length sale, purchases for fair mar-  
17 ket value assets, or all the stock of a related  
18 person, if the transaction is subject to—

19           “(i) section 5 of the Securities Act of  
20 1933 (15 U.S.C. 77f et seq.), or

21           “(ii) the Securities Exchange Act of  
22 1934 (15 U.S.C.78a et seq.).

23           “(B) UNRELATED PARTY.—The term ‘un-  
24 related party’ means a purchaser who does not

1       bear a relationship to the seller described in  
2       section 267(b).

3           “(C) CONTINGENT LIABILITY.—This para-  
4       graph shall apply if the contract for sale pro-  
5       vides that, if the seller fails to make a premium  
6       payment to the Combined Fund during the first  
7       5 plan years beginning after the sale, then the  
8       purchaser shall be secondarily liable for any li-  
9       ability to the Combined Fund it would have had  
10       but for the provisions of this paragraph.

11           “(D) NO INFERENCE.—In the event of a  
12       sale not described in this paragraph, there shall  
13       be no inference that because the sale is not so  
14       described the purchaser is a ‘successor in inter-  
15       est’.”.

16       (b) EFFECTIVE DATE.—The amendments made by  
17       subsection (a) shall apply to transactions after the date  
18       of the enactment of this Act.

19           **TITLE II—RETROACTIVE  
20           PROVISIONS**

21       **SEC. 201. REFORM OF RETROACTIVE PROVISIONS OF COAL  
22           INDUSTRY HEALTH BENEFIT SYSTEM.**

23       (a) AGREEMENTS COVERED BY HEALTH BENEFIT  
24       SYSTEM.—

3                   “(1) COAL AGREEMENTS.—

8                             “(B) COAL WAGE AGREEMENT.—The term  
9                             ‘coal wage agreement’ means the 1988 agree-  
10                           ment and any predecessor to the 1988 agree-  
11                           ment.”.

12 (2) CONFORMING AMENDMENT.—Section  
13 9701(b) (relating to agreements) is amended by  
14 striking paragraph (3).

15 (b) DEFINITIONS APPLICABLE TO OPERATORS.—

16 (1) SIGNATORY OPERATOR.—Section 9701(c)(1)  
17 (defining signatory operator) is amended to read as  
18 follows:

19                   “(1) SIGNATORY OPERATOR.—The term ‘signa-  
20                   tory operator’ means a 1988 agreement operator.”.

21 (2) 1988 AGREEMENT OPERATOR.—Section  
22 9701(c)(3) (defining 1988 agreement operator) is  
23 amended to read as follows:

24                   “(3) 1988 AGREEMENT OPERATOR.—The term  
25                   ‘1988 agreement operator’ means—

1                   “(A) an operator which was a signatory to  
2                   the 1988 agreement, or

3                   “(B) a person in business which, during  
4                   the term of the 1988 agreement, was a signa-  
5                   tory to an agreement (other than the National  
6                   Coal Mine Construction Agreement or the Coal  
7                   Haulers’ Agreement) containing pension and  
8                   health care contribution and benefit provisions  
9                   which are the same as those contained in the  
10                   1988 agreement.

11                   Such term shall not include any operator who was  
12                   assessed, and paid the full amount of, contractual  
13                   withdrawal liability to the 1950 UMWA Benefit  
14                   Plan, the 1974 UMWA Benefit Plan, or the Com-  
15                   bined Fund.”.

16                   (3) CONFORMING AMENDMENTS.—

17                   (A) Section 9711(a) is amended by strik-  
18                   ing “maintained pursuant to a 1978 or subse-  
19                   quent coal wage agreement”.

20                   (B) Section 9711(b)(1) is amended by  
21                   striking “pursuant to a 1978 or subsequent  
22                   coal wage agreement”.

23                   (c) MODIFICATIONS TO REFLECT REACHBACK RE-  
24                   FORMS.—

3 (A) IN GENERAL.—Section 9702(b)(1) is  
4 amended—

5 (i) by striking “one individual who  
6 represents” in subparagraph (A) and in-  
7 serting “two individuals who represent”,

8 (ii) by striking subparagraph (B) and  
9 redesignating subparagraphs (C) and (D)  
10 as subparagraphs (B) and (C), respec-  
11 tively, and

12 (iii) by striking “(A), (B), and (C)” in  
13 subparagraph (C) (as so redesignated) and  
14 inserting “(A) and (B)”.

15 (B) CONFORMING AMENDMENT.—Section  
16 9702(b)(3) is amended to read as follows:

17                 “(3) SPECIAL RULE.—If the BCOA ceases to  
18                 exist, any trustee or successor under paragraph  
19                 (1)(A) shall be designated by the 3 employers who  
20                 were members of the BCOA on October 24, 1992,  
21                 and who have been assigned the greatest number of  
22                 eligible beneficiaries under section 9706.”.

23 (C) TRANSITION RULE.—Any trustee serv-  
24 ing on the date of the enactment of this Act  
25 who was appointed to serve under section

1           9702(b)(1)(B) of the Internal Revenue Code of  
2           1986 (as in effect before the amendments made  
3           by this paragraph) shall continue to serve until  
4           a successor is appointed under section  
5           9702(b)(1)(A) of such Code (as in effect after  
6           such amendments).

7           (2) ASSIGNMENT OF BENEFICIARIES.—Section  
8           9706 (relating to assignment of eligible bene-  
9           ficiaries) is amended by adding at the end the fol-  
10          lowing:

11          “(h) ASSIGNMENT AS OF OCTOBER 1, 2001.—

12           “(1) IN GENERAL.—Effective October 1, 2001,  
13          the Commissioner of Social Security shall—

14           “(A) revoke all assignments to persons  
15          other than 1988 agreement operators for pur-  
16          poses of assessing premiums for periods after  
17          September 30, 2001,

18           “(B) make no further assignments to per-  
19          sons other than 1988 agreement operators, and

20           “(C) terminate all unpaid liabilities of per-  
21          sons other than 1988 agreement operators with  
22          respect to eligible beneficiaries whose assign-  
23          ment to such persons is pending on October 1,  
24          2001.

1           “(2) REASSIGNMENT UPON PURCHASE.—This  
2        subsection shall not be construed to prohibit the re-  
3        assignment under subsection (b)(2) of an eligible  
4        beneficiary.”.

5           (3) LIABILITY FOR 1992 PLAN.—

6           (A) IN GENERAL.—Section 9712(d) (relat-  
7        ing to guarantee of benefits) is amended by  
8        striking paragraph (3) and by redesignating  
9        paragraphs (4), (5), and (6) as paragraphs (3),  
10        (4), and (5), respectively.

11           (B) CONFORMING AMENDMENT.—Section  
12        9712(d)(3) (as redesignated under subpara-  
13        graph (A)) is amended by striking “or last sig-  
14        natory operator described in paragraph (3)”.

15           (C) EFFECTIVE DATE.—The amendments  
16        made by this paragraph shall apply to pre-  
17        miums assessed for periods after September 30,  
18        2001, except that a person other than a 1988  
19        agreement operator shall not be liable for any  
20        unpaid premium under section 9712(d) of the  
21        Internal Revenue Code of 1986 as of such date  
22        if liability for such premium had not been as-  
23        sessed or was being contested on such date.

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