

108TH CONGRESS  
1ST SESSION

# H. R. 3586

To amend the Internal Revenue Code of 1986 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 by providing additional sources of revenue to the Fund, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 21, 2003

Mr. CANTOR (for himself, Mr. WILSON of South Carolina, Mr. ROGERS of Michigan, Mr. SESSIONS, Ms. PRYCE of Ohio, Ms. DUNN, Mr. WICKER, Mr. HOEKSTRA, Mr. EHLERS, Mr. CAMP, and Mr. POMEROY) 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 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 by providing additional sources of revenue to the Fund, 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.

Sec. 102. Annual audit.

Sec. 103. Appointment of Government trustees.

**Subtitle B—Premiums**

Sec. 111. Modifications of premiums to reflect transfers from general fund.

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. Prepayment of premium liability for coal industry health benefits.

Sec. 117. Definition of successor in interest.

**TITLE II—RETROACTIVE PROVISIONS**

Sec. 201. Reform of retroactive provisions of Coal Industry Health Benefit Sys-  
tem.

**TITLE I—FINANCING**  
**PROVISIONS**  
**Subtitle A—Federal Funds**

**SEC. 101. MANDATORY TRANSFER OF GENERAL FUNDS TO**  
**COMBINED BENEFIT FUND.**

(a) IN GENERAL.—Section 9705 (relating to transfers to the Combined Benefit Fund) is amended by adding at the end the following new subsection:

“(c) MANDATORY TRANSFERS FROM GENERAL FUND.—

“(1) IN GENERAL.—There are hereby authorized and appropriated, out of any amounts in the Treasury not otherwise appropriated, to the Combined Fund such sums as may be necessary to—

“(A) pay any benefit or administrative costs of unassigned beneficiaries of the Combined Fund remaining after the transfer under subsection (b); and

“(B) eliminate any annual deficit in any premium account of the Combined Fund as certified by the Trustees of the Combined Fund.

Deficits referred to in subparagraph (B) shall be certified by the trustees only after utilizing and taking into account all premiums and other government reimbursements to the Fund.

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

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

7           (b) TRANSFER FROM ABANDONED MINE RECLAMA-  
 8           TION FUND.—Section 9705(b)(2) (relating to use of  
 9           funds) is amended to read as follows:

10           “(2) USE OF FUNDS.—Any amount transferred  
 11           under paragraph (1) for any fiscal year shall be used  
 12           to pay any benefit or administrative costs of unas-  
 13           signed beneficiaries of the Combined Fund for the  
 14           plan year in which transferred.”.

15           (c) EFFECTIVE DATE.—The amendments made by  
 16           this section shall apply to fiscal years beginning after Sep-  
 17           tember 30, 2003.

18   **SEC. 102. ANNUAL AUDIT.**

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

22           “(d) ANNUAL AUDIT.—

23           “(1) AUDIT.—The Comptroller General of the  
 24           United States shall conduct an annual audit of the  
 25           Combined Fund. Such audit shall include—

1           “(A) a review of the progress the Com-  
2           bined Fund is making toward a managed care  
3           system as required under this subchapter; and

4           “(B) a review of the use of, and necessity  
5           for, amounts transferred to the Combined Fund  
6           under section 9705(c).

7           “(2) REPORT.—The Comptroller General shall  
8           report the results of any audit under paragraph (1)  
9           to the Secretary of the Treasury and to the appro-  
10          priate committees of Congress, including the Comp-  
11          troller General’s recommendations (if any) as to any  
12          administrative savings which may be achieved with-  
13          out reducing the effective level of benefits under sec-  
14          tion 9703.”.

15          (b) EFFECTIVE DATE.—The amendment made by  
16          subsection (a) shall apply to plan years of the Combined  
17          Fund beginning after the date of the enactment of this  
18          Act.

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

20          (a) IN GENERAL.—Section 9702(b)(1) (relating to  
21          the Board of Trustees), as amended by section 201(c), is  
22          amended by striking “and” at the end of subparagraph  
23          (B), by striking the period at the end of subparagraph  
24          (C) and inserting “; or”, and by inserting after subpara-  
25          graph (C) the following new subparagraph:

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

3 (b) EFFECTIVE DATE.—The amendments made by  
 4 this section shall take effect on the date of the enactment  
 5 of this Act.

## 6 **Subtitle B—Premiums**

### 7 **SEC. 111. MODIFICATIONS OF PREMIUMS TO REFLECT** 8 **TRANSFERS FROM GENERAL FUND.**

9 (a) ELIMINATION OF UNASSIGNED BENEFICIARIES  
 10 PREMIUM.—Section 9704(d) (establishing unassigned  
 11 beneficiaries premium) is amended to read as follows:

12 “(d) UNASSIGNED BENEFICIARIES PREMIUM.—

13 “(1) PLAN YEARS ENDING ON OR BEFORE SEP-  
 14 TEMBER 30, 2003.—For plan years ending on or be-  
 15 fore September 30, 2003, the unassigned bene-  
 16 ficiaries premium for any assigned operator shall be  
 17 equal to the applicable percentage of the product of  
 18 the per beneficiary premium for the plan year multi-  
 19 plied by the number of eligible beneficiaries who are  
 20 not assigned under section 9706 to any person for  
 21 such plan year.

22 “(2) PLAN YEARS BEGINNING ON OR AFTER OC-  
 23 TOBER 1, 2003.—For plan years beginning on or  
 24 after October 1, 2003, there shall be no unassigned  
 25 beneficiaries premium.”.

1 (b) PREMIUM ACCOUNTS.—

2 (1) CREDITING OF ACCOUNTS.—Section  
3 9704(e)(1) (relating to premium accounts; adjust-  
4 ments) is amended by inserting “and amounts trans-  
5 ferred under section 9705 (b) or (c)” after “pre-  
6 miums received”.

7 (2) SHORTFALLS.—Section 9704(e)(3) (relating  
8 to shortfalls and surpluses) is amended—

9 (A) by striking “shortfall or” each place it  
10 appears in subparagraph (A);

11 (B) by striking “reduced or increased,  
12 whichever is applicable,” in subparagraph (A)  
13 and inserting “reduced”;

14 (C) by striking “or the unassigned bene-  
15 ficiaries premium account” in subparagraph  
16 (B); and

17 (D) by striking “SHORTFALLS AND SUR-  
18 PLUSES” in the heading and inserting “SUR-  
19 PLUSES”.

20 (c) EFFECTIVE DATE.—The amendments made by  
21 this section shall apply to plan years of the Combined  
22 Fund beginning after September 30, 2003.

1 **SEC. 112. REFUNDS TO CERTAIN OPERATORS.**

2 (a) IN GENERAL.—Section 9704 (relating to the li-  
3 ability of assigned operators) is amended by adding at the  
4 end the following new subsection:

5 “(j) REFUNDS TO CERTAIN OPERATORS.—The Com-  
6 bined Fund shall, before December 31, 2003, refund to  
7 an assigned operator which was an assigned operator prior  
8 to the date of the enactment of this subsection (and any  
9 related person to such operator) an amount equal to the  
10 sum of—

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

15 “(2) interest on the amount under paragraph  
16 (1) at the overpayment rate established under sec-  
17 tion 6621 for the period from the payment of such  
18 amount to the refund under this subsection.”.

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

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

24 (a) IN GENERAL.—Part II of subchapter B of chap-  
25 ter 99 (relating to financing of Combined Benefit Fund)



1 is amended by inserting after section 9704 the following  
 2 new section:

3 **“SEC. 9704A. REDUCTIONS IN HEALTH BENEFIT PREMIUM**  
 4 **IF SURPLUS EXISTS.**

5 “(a) GENERAL RULE.—If this section applies to any  
 6 plan year, the per beneficiary premium used for purposes  
 7 of computing the health benefit premium under section  
 8 9704(b) for the plan year shall be the reduced per bene-  
 9 ficiary premium determined under subsection (c).

10 “(b) YEARS TO WHICH SECTION APPLIES.—

11 “(1) IN GENERAL.—This section applies to any  
 12 plan year beginning after September 30, 2003, if the  
 13 trustees determine that the Combined Fund has an  
 14 excess reserve for the plan year.

15 “(2) EXCESS RESERVE.—For purposes of this  
 16 section—

17 “(A) IN GENERAL.—The term ‘excess re-  
 18 serve’ means, with respect to any plan year, the  
 19 excess (if any) of—

20 “(i) the projected net assets as of the  
 21 close of the test period for the plan year,  
 22 over

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

1           “(B) PROJECTED NET ASSETS.—For pur-  
2           poses of subparagraph (A)(i), the projected net  
3           assets shall be the amount of the net assets  
4           which the trustees determine will be available at  
5           the end of the test period for projected fund  
6           benefits. Such determination shall be made in  
7           the same manner used by the Combined Fund  
8           to calculate net assets available for projected  
9           fund benefits in the Statement of Net Assets  
10          (Deficits) Available for Fund Benefits for pur-  
11          poses of the monthly financial statements of the  
12          Combined Fund for the plan year beginning Oc-  
13          tober 1, 2003.

14          “(C) PROJECTED 3-MONTH ASSET RE-  
15          SERVE.—For purposes of subparagraph (A)(ii),  
16          the projected 3-month asset reserve is an  
17          amount equal to 25 percent of the projected ex-  
18          penses (including administrative expenses) from  
19          the health benefit premium account and unas-  
20          signed beneficiaries premium account for the  
21          plan year immediately following the test period.  
22          The determination of such amount shall be  
23          based on the 10-year forecast of the projected  
24          net assets and cash balance of the Combined

1 Fund prepared annually by an actuary retained  
2 by the Combined Fund.

3 “(D) TEST PERIOD.—For purposes of this  
4 section, the term ‘test period’ means, with re-  
5 spect to any plan year, that plan year and the  
6 following plan year.

7 “(c) REDUCED PER BENEFICIARY PREMIUM.—For  
8 purposes of this section, the reduced per beneficiary pre-  
9 mium for any plan year to which this section applies is  
10 the per beneficiary premium determined under section  
11 9704(b)(2) without regard to this section, reduced (but  
12 not below zero) by—

13 “(1) the excess reserve for the plan year, di-  
14 vided by

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

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

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

3 “(2) the monthly installment under section  
4 9704(g)(1) for such months shall be equal to the  
5 amount which would have been determined if the  
6 health benefits premium under section 9704(b) had  
7 not been reduced under this section for the plan  
8 year.”.

9 (b) CONFORMING AMENDMENTS.—

10 (1) Section 9704(a) (relating to annual pre-  
11 miums) is amended by striking “Each” and insert-  
12 ing “Subject to section 9704A, each”.

13 (2) The table of sections for part II of sub-  
14 chapter B of chapter 99 is amended by inserting  
15 after the item relating to section 9704 the following  
16 new item:

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

17 (c) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply to plan years of the Combined  
19 Fund beginning after September 30, 2003.

20 **SEC. 114. REFUND OF CONTRIBUTIONS PAID BY CERTAIN**  
21 **SMALL ENTITIES TO UNITED MINE WORKERS**  
22 **COMBINED BENEFIT FUND.**

23 (a) IN GENERAL.—Part II of subchapter B of chap-  
24 ter 99, as amended by section 113, is amended by insert-  
25 ing after section 9704A the following new section:

1   **“SEC. 9704B. REFUNDS OF ANNUAL PREMIUMS OF CERTAIN**  
2                   **SMALL ENTITIES.**

3           “(a) GENERAL RULE.—The Combined Fund shall re-  
4 fund to each eligible small entity any premiums paid by  
5 the entity to the Combined Fund under section 9704 for  
6 any plan year of the Combined Fund which began before  
7 October 1, 2003. This section shall not apply to any pre-  
8 mium which was previously refunded.

9           “(b) ELIGIBLE SMALL ENTITY.—For purposes of  
10 this section, the term ‘eligible small entity’ means an as-  
11 signed operator, but only if, as determined under the  
12 records of the Combined Fund, such operator (or any re-  
13 lated person of such operator)—

14                   “(1) was not a signatory to the 1981 or later  
15 National Bituminous Coal Wage Agreement or any  
16 ‘me too’ agreement related to such Coal Wage  
17 Agreement;

18                   “(2) reported credit hours to the UMWA 1974  
19 Pension Plan on fewer than ten classified mine  
20 workers in every month during its last year of oper-  
21 ations under the National Bituminous Coal Wage  
22 Agreement of 1978 or any ‘me too’ agreement re-  
23 lated to such Coal Wage Agreement;

24                   “(3) has had not more than 60 beneficiaries, in-  
25 cluding eligible dependents of retired miners, as-  
26 signed to it under section 9706 (determined without

1 regard to beneficiary assignments relieved by the So-  
 2 cial Security Administration);

3 “(4) was assessed premiums by the Combined  
 4 Fund, made payments pursuant to those assess-  
 5 ments, and has no delinquency as of September 30,  
 6 2003; and

7 “(5) is not directly engaged in the production  
 8 or sale of coal engaged in the production of coal as  
 9 of September 30, 2003.”.

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

“Sec. 9704B. Refunds of annual premiums of certain small entities.”.

14 (c) EFFECTIVE DATE.—The amendments made by  
 15 this section shall take effect on the date of the enactment  
 16 of this Act.

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

18 (a) IN GENERAL.—So much of section 9704(i)(1)(D)  
 19 as precedes clause (ii) is amended to read as follows:

20 “(D) PREMIUM REDUCTIONS AND RE-  
 21 FUNDS.—

22 “(i) 1ST YEAR PAYMENTS.—In the  
 23 case of a 1988 agreement operator making  
 24 payments under subparagraph (A)—

1 “(I) the premium of such oper-  
 2 ator under subsection (a) shall be re-  
 3 duced by the amount paid under sub-  
 4 paragraph (A) by such operator for  
 5 the plan year beginning February 1,  
 6 1993; and

7 “(II) if the amount so paid ex-  
 8 ceeds the operator’s liability under  
 9 subsection (a), the excess shall be re-  
 10 funded to the operator before Decem-  
 11 ber 31, 2003.”.

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. 116. PREPAYMENT OF PREMIUM LIABILITY FOR COAL**  
 16 **INDUSTRY HEALTH BENEFITS.**

17 (a) IN GENERAL.—Section 9704 (relating to liability  
 18 of assigned operators) is amended by adding at the end  
 19 the following new subsection:

20 “(j) PREPAYMENT OF PREMIUM LIABILITY.—

21 “(1) IN GENERAL.—If—

22 “(A) any assigned operator who is a mem-  
 23 ber of a controlled group of corporations (with-  
 24 in the meaning of section 52(a)) makes a pay-

1           ment meeting the requirements of paragraph  
2           (2) to the Combined Fund; and

3           “(B) the common parent of such group is  
4           jointly and severally liable for any premium  
5           which would (but for this subsection) be re-  
6           quired to be paid by such operator, then no per-  
7           son (other than such common parent) shall be  
8           liable for any premium for which such operator  
9           would otherwise be liable.

10          “(2) REQUIREMENTS.—A payment meets the  
11          requirements of this paragraph if—

12               “(A) the amount of the payment is not less  
13               than the present value of the total premium li-  
14               ability of the assigned operator for its assignees  
15               under this chapter with respect to the Com-  
16               bined Fund (as determined by the operator’s  
17               enrolled actuary, as defined in section  
18               7701(a)(35)), using actuarial methods and as-  
19               sumptions each of which is reasonable and  
20               which are reasonable in the aggregate, as deter-  
21               mined by such enrolled actuary;

22               “(B) a signed actuarial report is filed with  
23               the Secretary of Labor by such enrolled actuary  
24               containing—



1 “(i) the date of the actuarial valuation  
2 applicable to the report; and

3 “(ii) a statement by the enrolled actu-  
4 ary signing the report that to the best of  
5 the actuary’s knowledge the report is com-  
6 plete and accurate and that in the actu-  
7 ary’s opinion the actuarial assumptions  
8 used are in the aggregate reasonably re-  
9 lated to the experience of the operator and  
10 to reasonable expectations; and

11 “(C) 30 calendar days have elapsed after  
12 the report required by subparagraph (B), and  
13 the description required by subparagraph (C),  
14 are filed with the Secretary of Labor, and the  
15 Secretary of Labor has not notified the as-  
16 signed operator in writing that the require-  
17 ments of this paragraph have not been satis-  
18 fied.”.

19 (b) IN GENERAL.—Section 9711 subsection (c) relat-  
20 ing to continued obligations of individual employer plans;  
21 joint and several liability of related persons) is amended  
22 to read as follows:

23 “(c) JOINT AND SEVERAL LIABILITY OF RELATED  
24 PERSONS.—

1           “(1) Each related person of a last signatory op-  
2           erator to which subsection (a) or (b) applies shall be  
3           jointly and severally liable with the last signatory op-  
4           erator for the provision of health care coverage de-  
5           scribed in subsection (a) or (b), provided, however,  
6           that related persons of any last signatory operator  
7           that has met the requirements of section 9704(j) (1)  
8           and (2) and has provided security described in para-  
9           graph 9711(c)(2) shall be relieved of all such joint  
10          and several liability as of the date upon which such  
11          requirements are met.

12          “(2) Security meets the requirements of this  
13          paragraph if—

14               “(A) the security (in the form of a bond,  
15               letter of credit or cash escrow) is provided to  
16               the trustees of the 1992 UMWA Benefit Plan,  
17               solely for the purpose of paying premiums for  
18               beneficiaries described in section 9712(b)(2)(B),  
19               equal in amount to one year’s liability of the  
20               last signatory operator under section 9711, de-  
21               termined by using the average cost of such op-  
22               erator’s liability during its prior 3 calendar  
23               years;

1           “(B) the security is in addition to any  
2           other security required under any other provi-  
3           sion of this Act; and

4           “(C) the security remains in place for 5  
5           years.

6           “(3) Upon termination of the obligations of the  
7           last signatory operator providing such security or  
8           the expiration of 5 years, whichever occurs first, the  
9           full amount of such security (and earnings thereon)  
10          shall be refunded to the last signatory operator.

11          “(4) USE OF PREPAYMENT.—The Combined  
12          Fund shall establish and maintain an account for  
13          each assigned operator making such payment (with  
14          earnings thereon) and use all amounts in such ac-  
15          count exclusively to pay premium that would (but  
16          for this subsection) be required to be paid by the as-  
17          signed operator. Upon termination of the obligations  
18          for premium liability of any assigned operator for  
19          which such account is maintained, all funds remain-  
20          ing in such account (and earnings thereon) shall be  
21          refunded to the assigned operator.”.

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

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

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

5 “(8) SUCCESSOR IN INTEREST.—

6 “(A) SAFE HARBOR.—The term ‘successor  
7 in interest’ shall not include any person—

8 “(i) who is an unrelated person to a  
9 seller; and

10 “(ii) who purchases for fair market  
11 value assets, or all the stock of a related  
12 person, in a bona fide, arm’s-length sale  
13 which is subject to section 5 of the Securi-  
14 ties Act of 1933 (15 U.S.C. 77f et seq.) or  
15 the Securities Exchange Act of 1934 (15  
16 U.S.C.78a et seq.).

17 “(B) UNRELATED PERSON.—The term  
18 ‘unrelated person’ means a purchaser who does  
19 not bear a relationship to the seller described in  
20 section 267(b).

21 “(C) CONTINGENT LIABILITY.—This para-  
22 graph shall only apply if the contract for sale  
23 provides that, if the seller fails to make a pre-  
24 mium payment to the Combined Fund during  
25 the first 5 plan years beginning after the sale,  
26 then the purchaser shall be secondarily liable

1 for any liability to the Combined Fund it would  
 2 have had but for the provisions of this para-  
 3 graph.

4 “(D) NO INFERENCE.—Nothing in this  
 5 paragraph shall be construed to infer that a  
 6 purchaser in a sale not described in this para-  
 7 graph is a successor in interest.”.

8 (b) EFFECTIVE DATE.—The amendment made by  
 9 subsection (a) shall apply to transactions after the date  
 10 of the enactment of this Act.

## 11 **TITLE II—RETROACTIVE** 12 **PROVISIONS**

### 13 **SEC. 201. REFORM OF RETROACTIVE PROVISIONS OF COAL** 14 **INDUSTRY HEALTH BENEFIT SYSTEM.**

15 (a) AGREEMENTS COVERED BY HEALTH BENEFIT  
 16 SYSTEM.—

17 (1) IN GENERAL.—Section 9701(b)(1) (defining  
 18 coal wage agreement) is amended to read as follows:

19 “(1) COAL AGREEMENTS.—

20 “(A) 1988 AGREEMENT.—The term ‘1988  
 21 agreement’ means the collective bargaining  
 22 agreement between the settlors which became  
 23 effective on February 1, 1988.

24 “(B) COAL WAGE AGREEMENT.—The term  
 25 ‘coal wage agreement’ means the 1988 agree-

1           ment and any predecessor to the 1988 agree-  
2           ment.”.

3           (2)     CONFORMING     AMENDMENT.—Section  
4     9701(b) (relating to agreements) is amended by  
5     striking paragraph (3).

6     (b) DEFINITIONS APPLICABLE TO OPERATORS.—

7           (1) SIGNATORY OPERATOR.—Section 9701(c)(1)  
8     (defining signatory operator) is amended to read as  
9     follows:

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

12           (2)     1988     AGREEMENT     OPERATOR.—Section  
13     9701(c)(3) (defining 1988 agreement operator) is  
14     amended to read as follows:

15           “(3) 1988 AGREEMENT OPERATOR.—The term  
16     ‘1988 agreement operator’ means—

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

19                   “(B) a person in business which, during  
20     the term of the 1988 agreement, was a signa-  
21     tory to an agreement (other than the National  
22     Coal Mine Construction Agreement or the Coal  
23     Haulers’ Agreement) containing pension and  
24     health care contribution and benefit provisions

1           which are the same as those contained in the  
2           1988 agreement.

3           Such term shall not include any operator who was  
4           assessed, and paid the full amount of, contractual  
5           withdrawal liability to the 1950 UMWA Benefit  
6           Plan, the 1974 UMWA Benefit Plan, or the Com-  
7           bined Fund.”.

8           (3) CONFORMING AMENDMENTS.—

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

12                   (B) Section 9711(b)(1) is amended by  
13           striking “pursuant to a 1978 or subsequent  
14           coal wage agreement”.

15           (c) MODIFICATIONS TO REFLECT REACHBACK RE-  
16           FORMS.—

17                   (1) BOARD OF TRUSTEES OF COMBINED  
18           FUND.—

19                   (A) IN GENERAL.—Section 9702(b)(1) is  
20           amended—

21                           (i) by striking “one individual who  
22                           represents” in subparagraph (A) and in-  
23                           serting “two individuals who represent”;

24                           (ii) by striking subparagraph (B) and  
25                           redesignating subparagraphs (C) and (D)

1 as subparagraphs (B) and (C), respec-  
2 tively; and

3 (iii) by striking “(A), (B), and (C)” in  
4 subparagraph (C) (as so redesignated) and  
5 inserting “(A) and (B)”.

6 (B) CONFORMING AMENDMENT.—Section  
7 9702(b)(3) is amended to read as follows:

8 “(3) SPECIAL RULE.—If the BCOA ceases to  
9 exist, any trustee or successor under paragraph  
10 (1)(A) shall be designated by the 3 employers who  
11 were members of the BCOA on October 24, 1992,  
12 and who have been assigned the greatest number of  
13 eligible beneficiaries under section 9706.”.

14 (C) TRANSITION RULE.—Any trustee serv-  
15 ing on the date of the enactment of this Act  
16 who was appointed to serve under section  
17 9702(b)(1)(B) of the Internal Revenue Code of  
18 1986 (as in effect before the amendments made  
19 by this paragraph) shall continue to serve until  
20 a successor is appointed under section  
21 9702(b)(1)(A) of such Code (as in effect after  
22 such amendments).

23 (2) ASSIGNMENT OF BENEFICIARIES.—Section  
24 9706 (relating to assignment of eligible bene-



1       ficiaries) is amended by adding at the end the fol-  
2       lowing:

3       “(h) ASSIGNMENT AS OF OCTOBER 1, 2003.—

4               “(1) IN GENERAL.—Effective October 1, 2003,  
5       the Commissioner of Social Security shall—

6               “(A) revoke all assignments to persons  
7       other than 1988 agreement operators for pur-  
8       poses of assessing premiums for periods after  
9       September 30, 2003;

10              “(B) make no further assignments to per-  
11       sons other than 1988 agreement operators; and

12              “(C) terminate all unpaid liabilities of per-  
13       sons other than 1988 agreement operators with  
14       respect to eligible beneficiaries whose assign-  
15       ment to such persons is pending on October 1,  
16       2003.

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

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