

News
From _____

CONGRESSMAN

Nick Rahall

WEST VIRGINIA-4th DISTRICT

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RAHALL-AIDED BLACK LUNG COMPROMISE ENSURES SOLVENCY OF FUND

Washington, D.C. -- Fourth District Rep. Nick Rahall (D-WV) successfully negotiated a compromise agreement to ensure the future solvency of the Black Lung Trust Fund under the Deficit Reduction bill passed by the House today.

Faced with an Administration proposal to increase by 50% the Black Lung excise tax assessed on coal, Rahall adopted a compromise forged by the Bituminous Coal Operators Association and the United Mine Workers of America to counter the Administration's 50% increase. Under the Black Lung provision in the bill, the excise tax would be increased by 10%. In addition, the agreement provides for a one-time, five-year forgiveness of the current interest payments on the cumulative indebtedness of the trust fund. The primary reason the Administration pursued the excise tax increase is due to the indebtedness of the Black Lung Disability Trust Fund; an indebtedness caused primarily by the skyrocketing interest charges from the U.S. Treasury on the borrowing by the Fund from the Treasury. The Black Lung Disability Trust Fund compensates those who suffer from the crippling effects of Black Lung disease.

During the debate on the bill, Rahall said, "Under the Black Lung provision before us today, we have managed to insure the future solvency of the Black Lung Disability Trust Fund without incurring the disastrous effect on coalfield employment and coal markets that would have resulted under the Reagan Administration's proposed 50% increase in the current Black Lung excise tax assessed on coal."

"Under the Administration proposal, disaster would have occurred in the coalfields of this nation," Rahall pointed out. "Many smaller coal mines would have closed due to their inability to pay such an exorbitant tax and we would have witnessed increased levels of unemployment. In fact, adoption of the Administration's proposal would have further aggravated the indebtedness of the trust fund, and as such, jeopardized payments to Black Lung beneficiaries by burdening the coal industry with such a level of excessive taxation that would surely have resulted in mine closings, and subsequently, fewer payments into the trust fund."