

A PLEA TO PROTECT THE HEALTH BENEFITS OF RETIRED MINERS IN THE PATRIOT COAL COMPANY BANKRUPTCY

We are Catholic bishops, priests, Sisters, Brothers and laypeople serving in ministry who view the bankruptcy of Patriot Coal Company as a tragedy for all company stakeholders, particularly the active miners and retirees. Because of this bankruptcy process, we need to raise a moral voice to speak especially on behalf of the 22,000 retired UMWA-affiliated miners, surviving spouses and dependents in jeopardy of losing their health-care benefits.

Through collective bargaining, Peabody Energy promised in UMWA contracts to give its workers “cradle-to-grave” health benefits. However,

- In 2007 Peabody spun off some of its assets and a large amount of its UMWA benefit liabilities to create Patriot Coal.
- In 2005 Arch Coal used the same pattern and created Magnum Coal.
- In 2008 Patriot Coal bought Magnum and assumed the combined long-term former obligations of both Peabody and Arch.
- With the recession and the collapse of the coal market, Patriot declared Chapter 11 bankruptcy placing all forms of deferred compensation, such as the health benefits of retirees won by UMWA contracts, at the mercy of the court.

We must raise our voices for justice because the social teachings of our Catholic faith tell us every worker is a son and daughter of God, and every person, created in God’s image, has a right to health care.

Since 90% of the retirees never worked a day for Patriot, Peabody and Arch remain liable for the “cradle-to-grave” health benefits. We judge that the promised and contracted health care benefits remain a *moral* obligation for Peabody Energy and Arch Coal, although both companies legally placed much of their liabilities onto Patriot Coal.

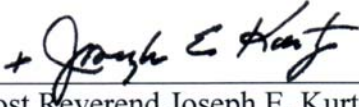
Catholic social teachings recognize Peabody and Arch Coal still as “indirect employers” (cf. *Laborem Exercens*, par. 17) whose obligations do not cease with the formation of Patriot, but take up when the first employer, Patriot, can no longer meet its obligations.

We join with the Catholic Committee of Appalachia in pleading with the bankruptcy court and the boards and executives of Peabody Energy, Arch Coal and Patriot Coal not to disregard the sacrifices miners have endured to their bodies and health to earn corporate profits. In justice, protect the health benefits of retired miners.

Permission Form

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Signed:



+ Most Reverend Joseph E. Kurtz
Archbishop of Louisville

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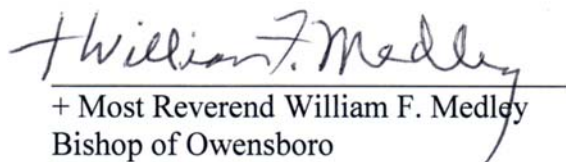
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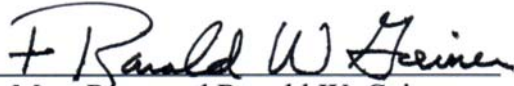
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