

# Kentucky Workers' Rights Board Peabody Energy Hearing Report

## Introduction

In response to a request from the AFL-CIO and UMWA on behalf of mineworkers in Peabody Energy coalmines in Illinois, Indiana, Kentucky, and West Virginia, the Kentucky Workers' Rights Board, a project of Kentucky Jobs with Justice, conducted a public hearing on Sunday, September 17, 2006, at Zion United Church of Christ in Henderson Kentucky. Approximately 40 people attended the hearing, which was covered by Evansville, Indiana NBC affiliate WFIE TV-14 and WTVW TV-7.

Peabody Energy management, mine workers from Illinois and Kentucky, a researcher from the University of Kentucky and a local ministerial leader were all invited to testify before the Kentucky Workers' Rights Board. Peabody Energy did not send a representative.

## Serving on the panel were:

### **Father J. Edward Bradley**

Priest, Holy Name Of Jesus Parish  
Henderson, KY

### **Irwin "Buddy" Cutler, Esq.**

Lawyer, Priddy, Cutler, Miller And Meade  
Louisville, KY

### **Anna Davis-Nall**

Executive Director, Kentucky Rural Initiatives Corp.  
Webster County, KY

### **Dr. Cornelia Glenn**

Professor, Owensboro Technical and Community  
College  
Owensboro, KY

### **J. R. Gray**

Kentucky State Representative, District 6  
Benton, KY

### **Rev. Phillip Hoy**

Pastor, Zion UCC, Henderson KY  
Member, Indiana House of Representatives, District  
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### **Joni Jenkins**

Member, Kentucky House of Representatives, District  
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Louisville, KY

### **Bishop Raymond Marion**

President, Madisonville Branch, NAACP  
Madisonville, KY

## Testimony was provided by:

### **Paul Holeman**

Peabody Miner  
Sturgis, KY

### **Allen Halsrud**

Peabody Miner  
Providence, KY

### **James "Buster" Zimbardo**

Peabody Miner  
Mulkeytown, IL

### **Cynthia Hack**

Center For Labor Education & Research, University  
Of Kentucky  
Louisville, KY

### **Wes Addington, Esq.**

Appalachian Citizens Law Center  
Prestonsburg, KY

### **Ed Wyatt**

UMWA Retiree  
Madisonville, KY

### **Steve Jones**

International Representative, UMWA Region 3  
Harrisburg, IL

### **Will Tanzman**

Interfaith Worker Justice  
Chicago, IL

### **Rev. Glenda Wade**

Outreach Ministries  
Earlington, KY

## Background

Peabody Energy's 8,300 employees mined 240 million tons of coal in 2005. The company's annual revenue was \$4.6 billion making it the world's largest private sector coal company (*Source: Peabody Energy, [www.peabodyenergy.com](http://www.peabodyenergy.com)*).

Coal miners launched the Justice at Peabody campaign on December 9, 2005 with a rally at Peabody headquarters in St. Louis. Since that time, they have been organizing at their mines and actively engaging religious and community leaders to support them and to ask Peabody to allow them to organize without employer interference.

On July 16-17, 2006, Interfaith Worker Justice and Religious Leaders for Coalfield Justice convened a fact-finding delegation of national and regional religious leaders representing a variety of religious groups and denominations to visit the coalfield area of Kentucky and learn more about the situation facing miners at Peabody Energy. Over the course of a full day of testimony, workers, retirees, union officials, and local religious leaders told the delegation about wages and working conditions at non-union mines...

On Tuesday, September 12, the delegation released a report that detailed a series of disturbing findings.<sup>1</sup>

The report found that Peabody Energy is systematically deunionizing its mines, reducing miner health protections, and eliminating job security and retirement benefits, all conditions that miners achieved through decades of struggle and collective bargaining.<sup>2</sup>

## Summary of Issues

While the issues Peabody miners face in the workplace are manifold, they fall under three broad categories. Affected workers as well as people providing supporting testimony during the hearing in Henderson discussed these issues:

- **The Right to Organize**
- **Health care and Job Safety**
- **Workers and Community Values**

## The Right to Organize

Coal miners in Peabody's non-union mines in Kentucky, Illinois, West Virginia and Indiana are currently struggling for the freedom to choose whether to be unionized by asking Peabody to remain neutral and not use pressure tactics, such as mandatory meetings on unionization, threats to close mines, or any other form of interference or intimidation. The miners are also demanding a fair process by which they would express their choice of belonging to a union.

Workers are not asking for much—just dignity and respect on the job and improvement in benefits and working conditions.

A February 2005 survey by Hart Research indicated that 53% of non-union workers -- or 57 million -- would like to have a union in their workplace, if they had the opportunity.

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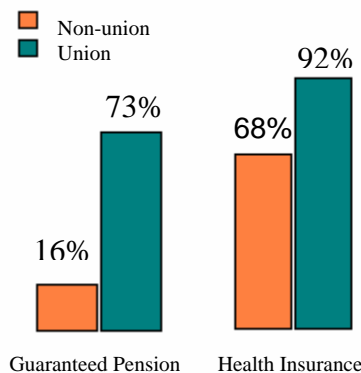
<sup>1</sup>Will Tanzman, Interfaith Worker Justice, speaking at the Kentucky Workers' Rights Board hearing in Henderson KY.

<sup>2</sup>*Peabody Energy: Rights Denied and Promises Broken*, Interfaith Worker Justice, available for download on IWJ's website, [www.iwj.org](http://www.iwj.org).

There are very concrete advantages of collective bargaining, in relation to wages, health insurance and guaranteed pensions.

On average, union members earn 29% more than nonunion workers, are 35% more likely than non-union workers to have access to health insurance benefits through their jobs, and are 6 times more likely than union members to be uninsured.

And, while more than 70% of union members are covered by a defined benefit pension plan, only 16% of nonunion workers have such coverage; that's more than a 350% advantage. Work is fine, but time off is essential. Compared to nonunion workers, union members enjoy an average of over 3 extra days vacation each year, almost 100 extra days in their work lives; that's a 28% union advantage.<sup>3</sup>



**“At Peabody Energy, the world’s largest coal producing company, workers are organizing because we want a say in our working conditions. We are standing up and demanding the right to freely choose to form a union without threats, harassment or intimidation from the company.”**

—Justice at Peabody fact sheet

Over 20,000 workers each year are illegally fired or otherwise discriminated against for trying to organize to address injustice in their workplace. Employers spend more than \$300 million per year to prevent workers from forming unions to improve wages, benefits, and working conditions.<sup>4</sup>

**Cynthia Hack** of the Center for Labor Education and Research at the University of Kentucky presented on “Card Check and Neutrality: the Fairest Way for Workers to Choose a Union.” In her presentation, Hack discussed the findings of a study conducted in September 2000 by Human Rights Watch, one of the world’s most respected human rights organizations. Human Rights Watch published a historic, book-length report on workers’ freedom to form unions and bargain collectively in the United States, after an 18-month survey. In this report, Human Rights Watch Executive Director Kenneth Roth summarizes the findings:

*“Our findings are disturbing, to say the least. Loophole-ridden laws, paralyzing delays, and feeble enforcement have led to a culture of impunity in many areas of U.S. labor law and practice. Legal obstacles tilt the playing field so steeply against workers’ freedom of association that the United States is in violation of international human rights standards for workers.”*

**Allen Halsrud**, 54 years, has been a coal miner for 33 years, over half of his life. He has worked 25 years in union mines but for the last five years has been working in a non-union Peabody mine. At the hearing, Mr. Halsrud provided moving testimony about his desire for his mine to be unionized. He testified that the job bidding process at non-union mines is corrupted by favoritism and that inexperienced workers are assigned to dangerous jobs such as roof bolting.

*“With a union, workers with seniority are protected from being laid off. I’m not going to be there long enough, but I want a union for the younger workers. ...Union mines have a Union Safety*

<sup>3</sup>U.S. Department of Labor; BLS; EPI; Employee Benefit Research Institute.

<sup>4</sup>*The Courier-Journal*, 9/1/2003

*Committee made up of union representatives. In non-union mines, there is a safety committee but it is represented by company personnel that may talk the inspector out of correcting problems.”*

## **Health Care and Job Safety**

In the wake of the tragic accident that took the lives of twelve coal miners at the non-union Sago Mine in West Virginia, it is important that we pay attention to the conditions under which mine workers labor in an increasingly non-union coal industry. John Bennett, son of one of the miners killed in the accident, said on NBC's Today Show shortly after the disaster, *“We have no protection for our workers. We need to get the United Mine Workers back in these coal mines to protect [against] these safety violations, to protect the workers.”*

**Ed Wyatt's** presentation focused on why health care coverage for retired miners is important. He told a story of how he would have lost his job and everything he'd worked hard for when he had a heart attack while he was an active miner.

**Paul Holeman**, a young man in his late twenties, was injured on the job at a Peabody non-union underground mine. After surgery, his doctor released him to return to work, but the company fired him. He had hoped to make a career out of coal mining. He found himself, his wife, and infant child without health insurance or income. His attempts to get his job back were futile. He emphasized that a union is the best way for injured workers to protect their jobs and health insurance.

Workers at Peabody Energy's mines want the contractual right to refuse to work in unsafe conditions. And they want this right without fear of retribution from the company. Of course, there are many other concerns that miners have related to health care and safety on the job. Some of those concerns include pensions, sick leave, vacation, and other time-off benefits.

## **Workers and Community Values**

We believe that community, family, and worker values are intertwined. For workers to have a say in their work schedules and time off allows them to better juggle the multiple responsibilities of family and work. Working 12-hour shifts and/or six days a week leaves miners little time for family, church or community activities.

Coal mining has been critical to the economies of coalfield communities since the 1800's. In order to get, keep, and control a reliable labor source, coal operators frequently built housing near the mine. The rent was subtracted from the miner's pay. The miner's family could be evicted if he was fired or went on strike. The coal companies owned and operated the stores and boarding houses in the coalfield communities, and the doctor and policeman would be on the company's payroll. The mine operators had influence over nearly every aspect of the miner's life. Even the churches and schools were built by the mine operators. Although much has changed since then, coal companies remain the dominant power in these communities today.

**James “Buster” Zimbrow**, a miner at one of Peabody's non-union surface mines, lifted up his concern for temporary workers who worked at his mine doing the same kinds of work for lower pay and no benefit. He pointed out that when they go to buy gas or groceries, the stores do not charge less because they are temps.

**Will Tanzman** of Interfaith Worker Justice spoke passionately about the connections of community, faith and labor:

*“As people of faith, we believe in holding employers to a higher moral standard because all workers deserve justice. Our religious traditions teach us that people were created in the image of God and deserve to be treated with respect and dignity. The religious community has a long history of supporting justice and dignity for workers and supporting unions as a key vehicle to achieve those goals, said Will.*

*“The company is denying miners their hard-won voice in life and death workplace decisions.”*

## Recommendations

We applaud the mine workers for taking a stand in the face of corporate attacks and speaking out about their campaign to form a union. We are disappointed in Peabody Energy for refusing to respect the rights of its workers.

- **The Right to Organize:** We call on the management of Peabody Energy to Agree to neutrality and card check for all of their non-union mines. We urge Peabody to remain neutral with respect to union organization. We urge Peabody to agree to card check as a democratic process to determine the wishes of workers. We expect fairness on jobs and seniority rights for promotion, demotions, layoffs, and recalls. Peabody should fulfill its obligations regarding filling new positions at their mines with three out of five miners from paneled union members.
- **Healthcare and Job Safety:** We call on the management of Peabody Energy to treat workers injured on the job with dignity and respect by continuing their employment and providing healthcare coverage for the miner and their family. Peabody must fulfill its obligations to pensioners and their families regarding healthcare coverage and pensions. We urge Peabody to provide health care insurance for active and retired members including dependants and that insurance should be for life (to supplement Medicare). We urge Peabody to keep insurance and other benefits intact while a union contract is negotiated following a positive card check.
- **Workers and Community Values:** Peabody Energy is urged to not discriminate against workers on the basis of race, creed, color, sex, age, national origin, or handicap.

Beyond Peabody, we must educate *our* children, other family members, and our community with regard to the benefits of unionism and must educate our members regarding public officials who support workers and those who fight our members.



## About the Kentucky Workers' Rights Board

The ***Kentucky Workers' Rights Board*** unites community leaders, faith leaders, business leaders and other community members to enhance and ensure the democratic rights of all workers. The board seeks to provide a moral voice for economic issues concerning justice for working women and men.

The ***Workers' Rights Board*** responds quickly and effectively to correct abusive treatment exhibited in the workplace. Existing labor laws and the *National Labor Relations Board* have failed to respond to worker abuse in an effective and timely manner. These institutions have also failed to protect the right to organize.

The ***Workers Rights Board*** strives to provide a community-based alternative to the *National Labor Relations Board*, ensure workers with safe working conditions, fair treatment of all employees, the right to organize unions, bargain collectively and create a community that will not tolerate the denial of workers' rights. Eradication of these behaviors will be addressed through broad community pressure.

*The goals of the Kentucky Workers' Rights Board are to*

- ✚ speak out and exert moral and political pressure to correct abuses of worker's rights;
- ✚ encourage the strengthening of legal and democratic rights for working people;
- ✚ conduct hearings to investigate complaints of unfair treatment, discrimination and suppression of democratic collective activity in the workplace;
- ✚ raise public awareness of the lack of workers' rights under the law; and
- ✚ encourage democratic and fair behavior from employers.

A special thank you to Lori Peterson, summary seminary intern from Interfaith Worker Justice, for working diligently with Kentucky Jobs With Justice to plan for the Workers' Rights Board hearing. And to Amy Callner of the United Mine Workers of America for the design and layout of this report.