

**SB 0177 Uninsured Employers Fund FAV.pdf**

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Position: FAV

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Agency Written Testimony

Senate Bill Number 0177 (2022)  
Title- Uninsured Employers' Fund-Payments to  
Former Employees of Bethlehem Steel Corporation  
Testimony of Michael W. Burns, Esquire,  
Director, MD Uninsured Employers' Fund  
Agency Position – FAVORABLE

Testimony - Uninsured Employers' Fund

SB0177

Uninsured Employers' Fund – Payments to Former Employee of Bethlehem Steel Corporation

Before the Maryland Senate Finance Committee

January 18, 2022

Bethlehem Steel, which was self-insured, had become insolvent in 2003 and, pursuant to Labor and Employment Section 9-405, the Uninsured Employers' Fund (UEF) became responsible for the outstanding obligations of Bethlehem Steel for workers compensation claims payments. Bethlehem Steel had, however, been paying workers for hearing loss matters without workers compensation claims having been filed or adjudicated by the Workers Compensation Commission (WCC) for a number of years. These payments continued being made after insolvency. These payments were not, however, made pursuant to workers compensation claims or made pursuant to WCC Orders and there was, therefore, no legal basis or authority for the UEF to make the payments.

When the current leadership at the UEF discovered these facts in 2018, the UEF, believing there still existed an obligation to help these workers for appropriate hearing loss-related issues, worked to develop a plan to fund these payments legally. The first of three yearly projected budget expenditures, for \$2 million in 2019 was placed in the FY 2020 budget.

Funding was removed and 10-314(b)(5) was added to the law by way of the Budget Reconciliation and Financing Act of 2019 (BRFA 2019). UEF had no knowledge of this until the BRFA was passed out of committee. As a result, this has taken on multiple interpretations depending on the interpreter causing confusion in litigation dealing with Bethlehem Steel claims that have recently been filed.

Additionally, by limiting the statute to “retirees” the statute actually reduces potential coverage among Bethlehem Steel workers. In certain cases, the new language has been found to limit the ability of UEF to raise defenses, such as limitations to new claims filed regarding hearing loss claims from years, and even decades, in the past. UEF has paid (or is in the process of paying) a number of new indemnity payments amounting to almost \$200,000 on fewer than 10 Bethlehem Steel hearing loss claims that arguably would have been barred prior to the 2019 statute update. Based on information as to how many potential claimants may exist, UEF estimates that potentially hundreds of such claims may be filed in the future, resulting in huge expenditures of funds.

The proposed legislation before the Committee will amend this section and replace it with language that accurately reflects the goal of ensuring that Bethlehem Steel workers have coverage for medical treatment for hearing loss but not for newly raised indemnity claims and payments on claims arising years and even decades ago. The legislation will result in more clarity to the law and increased coverage to injured workers. It will reduce costs of defending cases and clarify that UEF continues to be able to raise standard legal defenses to claims as appropriate. It will also broaden coverage among Bethlehem Steel workers for hearing loss coverage.

As a result of this clarifying language, UEF will be able to expedite the resolution of hearing loss cases, thereby providing treatment and relief to former employees of the insured sooner without the need for a long legal process. It will also protect the financial integrity of the UEF going forward.

The Uninsured Employers’ Fund respectfully requests a favorable vote by the Committee on SB0177.

**SB 177 - OPPOSE - State Fed and USW.pdf**

Uploaded by: Donna Edwards

Position: UNF



# MARYLAND STATE & D.C. AFL-CIO

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**SB 177 – Uninsured Employers’ Fund –  
Payments to Former Employees of Bethlehem Steel  
Senate Finance Committee  
January 18, 2022**

**OPPOSE**

**Donna S. Edwards  
President  
Maryland State and DC AFL-CIO**

Madam Chair and members of the Committee, thank you for the opportunity to provide testimony in opposition to SB 177 – Uninsured Employers’ Fund – Payments to Former Employees of Bethlehem Steel. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of the 340,000 union members in the state of Maryland, I offer the following comments.

The last workers at Bethlehem Steel left in 2003 when RG Steel closed up shop, leaving thousands of families out in the cold. Since then, those retired and those forced to leave upon closure have filed for, and received, benefits from the Uninsured Employers’ Fund, for the occupational injuries they have suffered. SB 177 would take those benefits from many of these workers. The bill sets an unrealistic standard of having to prove injury at a workplace that has not only been closed, but has been razed to the ground, over the past 18 years. The workers at Bethlehem Steel already suffered at the hands of a greedy corporation that filed bankruptcy and skipped town. There is no reason to add insult to injury by passing this bill.

**We urge an unfavorable report on SB 177.**



## District 8

**Ernest R. Thompson**  
District Director

**James Strong**  
Assistant to the Director

### **RE: Opposition to SB 177 Uninsured Employers' Fund-Payment to Former Employees of Bethlehem Steel Corporations**

To: The Honorable Senate Finance Chairlady Delores G Kelly and distinguished members of the Finance Committee.

My name is Jim Strong and I am the Assistant to the Director District 8, of the United Steelworkers Union. I want to thank you for this opportunity to submit written opposition to SB 177. Bethlehem Steel and the many subsequent owners were an important part to the economies of Baltimore City and the surrounding counties. Over the years, the union negotiated good wages and excellent benefits on behalf of our members. Unfortunately, the last owner RG Steel filed bankruptcy, closed the doors, totally destroying the livelihoods of thousands of USW members, their families, and the local economy. These employees are still here, and have suffer from injuries incurred while working at one of the largest steel mills in history.

Senate Bill 177 can prevent these workers from having the hearing loss covered by Workers' Compensation. This bill will not only deny future coverage of hearing loss, but would retroactively stop coverage for those who have already begun treatment. The former employees of Bethlehem Steel have suffered enough, without the humiliation of having treatment for hearing loss declined. We ask that the Senate Finance Committee stand up for these workers, and give SB 177 an unfavorable vote. It is the right thing to do.

Thank you,

*James Strong*

James Strong  
Assistant to the Director  
District 8, United Steelworkers

C: USW District 8 Director Ernest R. Thompson, USW District 8 Rapid Response Coordinator  
Chad Conley

United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International  
Union