



NO. S-1510120
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF THE PLAN OF COMPROMISE AND ARRANGEMENT
OF WALTER ENERGY CANADA HOLDINGS, INC., AND THE OTHER PETITIONERS
LISTED ON SCHEDULE "A" TO THE INITIAL ORDER

PETITIONERS

REPLY

Filed by: The claimant, the United Mine Workers of America 1974 Pension Plan
and Trust (the "**Claimant**" or the "**1974 Plan**")

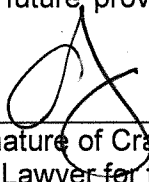
In reply to: The Response to Civil Claim of the Civil Claim of the United Steelworkers,
Local 1-424 (the "**Respondent Steelworkers**")

1. In this reply, capitalized terms shall have the meanings ascribed to them in the Notice of Civil Claim.
2. In specific reply to paragraph 7 of Division 2 of Part 1 of the Response to Civil Claim of the Respondent Steelworkers, the Pension Benefit Guaranty Corporation (the "**PBGC**") is required to assist a multi-employer pension plan to provide basic retiree benefits (a) only if the pension plan is insolvent, (b) only to a limited extent, and (c) only if the PBGC has sufficient assets to provide even limited assistance.
3. The 1974 Plan is in financial distress and had unfunded vested benefits of approximately US\$5.8 billion as of July 1, 2015.
4. Any financial assistance that the PBGC may provide in the future to the 1974 Plan will be limited to the PBGC guaranteed level of benefits. The PBGC guaranteed level of benefits is much lower than the level of benefits promised to participants in the 1974 Plan in their collective bargaining agreements.

5. Further, as the PBGC has informed the United States Congress, when the 1974 Plan becomes insolvent, the PBGC will be able to provide financial assistance at the PBGC guaranteed level of benefits for only one to three years.

6. Thus, any financial assistance that the PBGC may in the future provide to the 1974 Plan will not make the 1974 Plan or its beneficiaries whole.

Date: October 5, 2016



Signature of Craig Dennis
Lawyer for filing party

Rule 7-1 (1) of the Supreme Court Civil Rules states:

- (1) Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,
 - (a) prepare a List of Documents in Form 22 that lists
 - (i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and
 - (ii) all other documents to which the party intends to refer at trial, and
 - (b) serve the list on all parties of record.