

## **FCA'S TOP LEGISLATIVE AND REGULATORY ISSUES**

**Immigration: BCTD Presidents Approve Policy Goals for Immigration Reform**—The BCTD has announced its immigration policy: the 12 affiliated unions oppose a new temporary worker program as being unnecessary for the construction industry, but they do support a path to earned legal status for workers now in the U.S. illegally. The BCTD's reform proposals include a mandatory, electronic system (with a 99% accuracy rate) to verify eligibility to work in the U.S.; employers being responsible for compliance with immigration law, as well as federal and state labor and employment law; and a refinement of the H-2B Program to accommodate the construction industry's short-term needs.



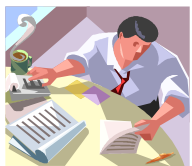
**Immigration: Companies Banned for Hiring Illegal Aliens under H.R.2**—The Senate by a 94-0 vote slipped a federal contracting ban for businesses that violate immigration laws into **H.R.2: Fair Minimum Wage Act of 2007**, which would raise the federal floor on hourly pay from \$5.15 to \$7.25 over two years. Under this added provision, introduced by Senator Jeff Sessions (R-AL), companies caught hiring illegal workers while on a federal contract would be **banned from government work for 10 years**; other companies discovered using illegal workers would be prohibited from federal contracts for 7 years. This ban would not be subject to court appeal, but the federal government could waive it for national security reasons. However, *companies using the pilot electronic employment verification system would be exempt from these sanctions*. Critics objected that the provision does not give businesses the opportunity to appeal the ban.



**Withholding Taxes: Repeal Section 511—3% Withholding Tax on Government Projects**—The Construction Organizations for Sensible Taxation (COST) Coalition, consisting of 17 trade associations, acknowledges Reps. Wally Herger (R-CA) and Kendrick Meek (D-FL) for their leadership in introducing **H.R.1023** that would repeal Section 511 of P.L.109-222: the Tax Increase Prevention and Reconciliation Act of 2005. This sweeping new requirement mandates a 3% withholding tax on payments to contractors for goods/services provided to federal, state, and local governments. With your help, we need to educate Congress that 3% is larger than the profit margins permitted under many government contracts and that such withholding will significantly impede cash flow, jeopardizing a contractor's ability to compete for business or complete projects. The bill has been referred to the House Committee on Ways and Means.



**Accounting Standards: FASB Requirements for Single-Employer Plans Raise Multiemployer Concerns**—During Phase I of the Financial Accountability Standards Board's (FASB's) two-phased project to revise pension accounting standards, FASB 158 requires that employers of single-employer pension plans post their share of a defined benefit pension plan liability on their company balance sheets (effective for fiscal years ending after December 15, 2008). FASB will soon begin Phase II, so there is growing concern that this phase will look at multiemployer defined benefit pension plans. Phase II is expected to be issued in 2010 with the actual effective date in 2011.



FASB does not expect to issue a preliminary views document until 2008 and an exposure draft in 2009.

**Union Organizing: Union Card Check Bill Introduced in House**—Labor unions could have an easier time organizing workers under **H.R.800: The Employee Free Choice Act** (sponsored by Rep. George Miller [D-CA]) which would allow unions to bypass the lengthy, secret ballot elections. Under this bill the unions could attempt to represent workers by simply getting a majority of workers to sign union authorization cards. A Senate version of the bill is expected to be introduced soon by Senator Ted Kennedy (D-MA). The bill is backed by labor unions and a range of other groups who rationalize that employers often illegally fire, intimidate, or retaliate against workers attempting to form a union. Conversely, the bill is opposed by business groups as a way for union leaders to coerce workers into signing cards in support of union representation in front of their co-workers and union organizers. (NOTE: The bill has not directly ruled out the option for workers to seek a secret-ballot election supervised by the National Labor Relations Board.)