



*Week of 5-16-16  
Volume 16 | Issue 16*

### **Congressional Overview**

The House moved into uncharted territory this week as appropriators began the process of moving spending bills even though the chamber has been unable to pass a budget. One such bill appropriated funds for FY 16 to protect against the Zika virus. Typically, the House would not move ahead with the appropriations process without a budget, but a provision in the October budget deal allows appropriators to consider appropriation bills after May 15 even if a budget has not passed (House budget negotiations are ongoing.) Finally, the House considered the annual National Defense Authorization Act (NDAA), one of the few bills that has managed to pass every year for decades despite congressional gridlock. In the Senate, the chamber debated several Zika funding amendments attached to the Transportation, Housing and Urban Development Appropriations Bill.

### **Central States Pension Fund Benefit Cuts Update**

On May 13, the National Coordinating Committee for Multiemployer Plans (NCCMP) addressed the Department of Treasury's decision to deny the application of Central States Teamsters' pension fund to suspend benefits for participants pursuant to the Multiemployer Pension Reform Act of 2014 (MPRA). In deciding the first of the applications to seek relief under that Act, Treasury cited three reasons for their decision. These included:

1. The assumed rate of investment return for short term cash flows was overly optimistic and may not produce assets sufficient to enable the plan to remain solvent.
2. The distribution of reductions for UPS pensioners was, in their opinion, inequitable.
3. The letters communicating the actions of the fund were not understandable by participants.

Central States trustees and professional advisors are evaluating whether the revised guidance from Treasury will enable the fund to resubmit an application for relief. While this decision is specific to Central States, its impact has broad implications for the entire multiemployer community. In the event the plan is able to file an approved plan, the benefit reductions are more than likely to require deeper cuts than those contained in the original application. However, in the event no viable option is approved, the plan will eventually become insolvent and benefits will be reduced to the PBGC guaranty level and paid out through "loans" from the PBGC to the fund.

As this event is expected to closely coincide with the projected insolvency of the PBGC multiemployer guaranty fund itself, there will be considerable pressure for Congress to raise the PBGC premiums significantly as the PBGC has estimated the liabilities attributable to Central States at more than \$20 billion. This will place additional cost pressures on plans, many of which are struggling to meet their current funding requirements, and create new incentives for many employers to exit the system. The NCCMP will continue to work with Congress and the agencies to facilitate a measured response to these pressures while minimizing the incentive for contributing employers to leave the system.

### **DOL Issues New Overtime Regulations**

On Wednesday, May 18, the DOL issued new overtime regulations for employees making under \$47,500. The assumption has been that below this amount allows for limited managerial duties with automatic overtime. Over this amount, it's still a question of the job's nature. Under the law, overtime is governed by the U.S. Fair Labor Standards

Act, which divides workers into two categories: those who are exempt from the act and do not receive overtime and those who qualify.

The law establishes two criteria: salary and duties. Generally, people with managerial duties and a lot of discretion on the job do not qualify for overtime, but no matter what they do under the current law, if they earn less than \$23,660 a year, they automatically get overtime. Now, that has been increased to \$47,476. Finally, the DOL and the IRS will be increasing probes of independent contracting arrangements as a result of these new regulations.

### **Food Stamp Cuts Could be Part of House FY 17 Budget**

House Republican leaders have identified cuts in the Supplemental Nutrition Assistance Program (SNAP) that would save \$3.8 billion over two years, part of a \$30 billion, two-year package of savings designed to entice conservatives to support a stalled budget plan. In total, the cuts to mandatory spending programs including Medicaid, social service grants and other healthcare subsidies would save \$170 billion over a decade.

The cuts to SNAP would trim the program by \$23.6 billion over 10 years. Thereby, states would no longer be allowed to qualify people for food stamps based on their receipt of a minimal amount of energy assistance targeted for low-income residents and able-bodied adults who have no dependents and are in school or training for a job. The cuts are designed to build GOP support for a budget resolution that allows for \$1.07 trillion in total discretionary spending, as called for in last year's bipartisan budget deal. Conservatives oppose that level because it is \$30 billion more than would be allowed under a 2011 deficit-cutting law.

### **OSHA Announces \$4.6 Million Available in Funds for Susan Harwood Training Grant Program**

On May 13, OSHA announced the availability of a total of \$4.6 million in funds for the Susan Harwood Training Grant Program. The grants will fund the creation of in-person, hands-on training and educational programs and the development of materials for workers and employers in small businesses; industries with high injury, illness and fatality rates; and vulnerable workers who are underserved, have limited English proficiency or are temporary workers. The program intends to help workers and employers identify and prevent workplace safety and health hazards. This funding opportunity includes two separate and distinct announcements: Targeted Topic Training Grants and Capacity Building Training Grants.

Targeted Topic Training grants support the development of quality training programs and educational materials that focus on identifying and preventing workplace hazards. These grants require applicants to address the occupational safety and health hazards designated by OSHA in the announcement.

There are two types of Capacity Building grants available: Capacity Building Pilot and Capacity Building Developmental grants. Pilot grants will assist organizations in assessing their needs and formulating a capacity-building plan before moving forward with a full-scale safety and health education program. Developmental grants focus on improving and expanding the capacity of an organization to provide safety and health training, education and related assistance to target audiences.

The funding opportunity announcements are available at <http://www.grants.gov/>, where new applicants must register and returning applicants must ensure registration is accurate and up-to-date prior to completing the application. Applications for both Targeted Topic Training grants (SHTG-FY-16-01) and Capacity Building grants (SHTG-FY-16-02) must be submitted by **11:59 PM ET on June 28**. All applications must be submitted electronically. More information on the Susan Harwood Training Grant Program is available on OSHA's website at <http://www.osha.gov/dte/sharwood/index.html>.

### **EPA's New Methane Rule**

On May 12, the EPA announced rules governing methane and other toxic emissions from oil-and-gas-drilling operations, finalizing a proposal placing limits on new and modified gas wells. The EPA estimates the rules will prevent the equivalent of 11 million metric tons of carbon-dioxide emissions by 2025. Apparently, these new standards do not apply to current oil and gas operations, but they do lay the legal groundwork under the Clean Air Act to regulate existing sources.

The EPA is also asking companies for more information on leaks from existing wells and strategies to clean them up. The EPA will seek comment on the information-collection request, which would be finalized in the fall. The agency will set a 30-day deadline for results from a general survey for all facility owners and operators, with some specific facilities getting a more in-depth survey that would take 180 days. The full collection will take until the first part of 2017.

Methane, the main component of natural gas, is an increasingly important part of the fight against global warming. Methane is 25 times more powerful than carbon dioxide in trapping heat. While methane comes from many sources, the EPA recently revised figures from a 2013 greenhouse-gas inventory, bumping total emissions from 636.3 million metric tons to 721.5 million metric tons in carbon-dioxide equivalent, identifying oil and gas as the culprit for the increase. The Administration has pledged to cut methane emissions by 40 to 45 percent of 2012 levels by 2025. Finally, the EPA expanded its new rule from a proposal last summer, removing an exemption for low-production wells from leak monitoring and doubling the amount of times compressor stations must monitor leaks.