FCA INTERNATIONAL LEGISLATIVE Update
Building a Better Future for Our Families

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Congressional Overview
Congress remains in recess until Sept. 7.

NCCMP Reconvenes Retirement Security Review Commission
On Wednesday, July 27 the National Coordinating Committee for Multiemployer Pension Reform (NCCMP) reconvened the Retirement Security Review Commission to examine the question of PBGC premiums and consider alternatives to the Administration's proposals for massive premium increases. At the current rate of $27 per participant, annual premiums for the approximately 10.4 million participants in multiemployer plans amount to approximately *$280 million* annually.

The Administration has proposed that the PBGC multiemployer premiums be increased significantly in response to projected deficits. In its recent budget proposal they requested premium increases sufficient to generate *$15 billion* (more than a four-fold increase) over the coming 10 year period, with rates to be set by the PBGC and would include both a per capita and a variable premium tied to plan funding and an "exit fee" for employers who leave the system (essentially extending the concept of withdrawal liability to all plans and all employers). In addition, the PBGC has reinforced the need for massive increases in its recently issued MPRA Report, mandated by Congress to meet projected solvency for the following 10 and 20 year periods, which said in part:

"The range of potential increases is wide, ranging from 59 percent to 85 percent for 10 year solvency and from 363 percent to 552 percent for 20 year solvency."

The PBGC has issued two reports this year which show, at best, a bleak future for the multiemployer guaranty fund. The first is its every-five-year (or quinquennial) report on the multiemployer guaranty program that examines the adequacy of the benefit guaranty relative to the benefits accrued. That study shows that while approximately 79 percent of participants in plans currently receiving assistance from the multiemployer guaranty program have not suffered a reduction in benefits under that program, that rate is expected to decline significantly for plans expected to fail in the future which typically have higher rates of accrual.

The second report known simply as the MPRA Report, was mandated by Congress in MPRA and *"requires PBGC to submit a report to Congress that analyzes whether current premium levels are sufficient for the PBGC to meet its multiemployer financial assistance obligations for ten and twenty-year periods beginning with 2015. If current premium levels are not sufficient, the Act also requires a proposed schedule of revised premiums that will meet (but not exceed) such obligations."*

Ohio Pension Fund Submits Application to Reduce Benefits
On June 28, an Ohio-based multiemployer bricklayers' pension fund has become the latest fund to seek Treasury Department approval to reduce benefits. The Bricklayers & Allied Craftsmen Local No. 7 Pension Plan, based in Austintown, filed an application for benefit cuts under the 2014 Multiemployer Pension Reform Act, which opened the door to such moves. The application was posted to Treasury's website near the end of July.

Under the MPRA, also known as the Kline-Miller Act, plan trustees must demonstrate to Treasury that proposed benefit cuts are necessary to prevent future insolvency. Six plans have filed applications; two have been rejected and the rest are awaiting a Treasury decision. The pension fund didn't submit a request to the PBGC to partition the plan. In a partition, the PBGC transfers some liabilities from a plan in danger of becoming insolvent to a new plan and provides financial assistance to that plan allowing financially healthy employers to maintain the original plan.

The fund joins the Teamsters Local 469 Pension Plan in Hazlet, NJ, the Iron Workers Local 17 Pension Fund in Cleveland and the Ironworkers Local 16 Pension Fund in Towson, MD in seeking benefit cuts. Treasury denied the applications of the Central States, Southeast and Southwest Areas Pension Fund in Rosemont, IL, and the Road Carriers Local 707 Pension Fund in Hempstead, NY.

Continuing Resolution to Avoid Government Shutdown will be Key Focus When Congress Returns in September

Conservatives in the House are pressing Republican leaders for a meeting as soon as Congress returns in September on how they plan to avoid a government shutdown. More than 50 members of two key conservative groups, the House Freedom Caucus and the Republican Study Committee, sent a letter in July to GOP leadership requesting a special House Republican conference meeting. The topic would be plans for passing a continuing resolution (CR) before Sept. 30, when the FY 16 appropriations expire.

The text of the letter stated "Pursuant to Rule 5 of the rules of the House Republican Conference, the below signed Members, constituting at least 20 percent of the conference, request a special conference meeting to be called as soon as practicable to discuss the conference's strategy for funding the federal government beyond the end of the current fiscal year." Members of each group are demanding a six-month CR that would punt final funding decisions into March 2017. Conservatives loathe the idea of returning to Congress after the November elections and passing another massive omnibus spending package, negotiated privately by congressional leaders and the White House. Speaker Paul Ryan (R-WI) and Senate Majority Leader Mitch McConnell (R-KY) have not publicly stated their preference for the duration of an initial CR.

A six month CR is opposed by many appropriators from both parties in both chambers and several high-ranking Democrats, including Rep. Steny Hoyer (D-MD) and Sen. Dick Durbin (D-IL), the House and Senate minority whips. They and many others prefer a shorter CR that would force the current Congress to return after the elections to finish its work and clear the decks for next year. Defense hawks may also prefer a short term CR, given that a CR would extend defense funding at the lower FY 16 levels, roughly $3 billion less than what is allowed in FY 17 under last year's budget agreement.

Final Draft of Paid Sick Leave Rule Under Administration Review

The Labor Department's draft final rule requiring federal contractors to provide paid sick leave is under White House review, the last stop before publication. President Barack Obama's 2015 executive order (E.O. 13,706) directed the rulemaking and gave the administration a Sept. 30 deadline to finalize it. The proposed version called for federal contractors on new or renewed contracts starting in 2017 to provide employees with up to seven days of paid sick leave per year. The proposed rule would allow employees to use their paid time to care for themselves or a family member and for absences resulting from sexual assault, domestic violence or stalking. The agency estimated the regulation would extend new paid sick leave protections to some 437,000 employees of federal contractors.

Trump and Clinton: Their Stances on Various Issues Impacting the Construction Industry

Infrastructure

Hillary Clinton is proposing a five-year, $275 billion infrastructure plan to fix roads and bridges and expand access to public transit and broadband. She has promised to put this plan into action within her first 100 days as president.

On July 18, the Republican Party's final 2016 platform released plans to cut some transportation programs from the Highway Trust Fund, phase out the federal transit program and repeal the Davis-Bacon Act to prevent prevailing wages from applying to federally funded construction projects. The Democratic Party's 2016 platform states that a Clinton administration would “vigorously oppose” efforts to repeal prevailing wage laws.

Immigration Reform
Curtailing the entry of migrants is one of Trump’s recurring campaign themes and he favors E-Verify system, which would require employers and law enforcement to enter an individual’s identification information into an online database that verifies that he or she is a legal resident or legal immigrant with permission to work. Undocumented immigrants could not work, making it tough for them to remain in the United States. Additionally, Trump would increase the number of immigration enforcement officers, and he would stop any federal funds going to sanctuary cities where undocumented immigrants are largely sheltered from deportation.

Conversely, Clinton supports full immigration reform and has endorsed the reform package offered by the “gang of eight” legislation, which was crafted by eight bipartisan U.S. Senators. This reform includes a path to legalization for certain undocumented immigrants, and it increases legal immigration by about one million people a year into the United States; this is double the current number entering the country. Finally, per the Congressional Budget Office (CBO), “immigration reform would boost the nation’s GDP (the value of all things our economy produces) by nearly $3,500 per household a decade after reform became law.”

Hydraulic Fracturing
Hillary Clinton wants to make the United States "the world's clean energy superpower." She wants to reduce greenhouse gas emissions, cut methane emissions, spend $30 billion to revitalize coal communities and expand energy efficiency in low-income communities. She supports fracking with environmental controls when there is local support for the practice.

Conversely, Donald Trump has promised to make the United States independent of any need to import energy from OPEC or "any nations hostile to our interests." His "100-day action plan" includes revoking regulations that hinder energy production, such as moratoriums on use of federal lands and restrictions on new drilling. He supports coal, and hydraulic fracturing (fracking) to extract natural gas, and says he also supports alternative energy sources. Finally, he favors hydraulic fracturing, but supports local control of the practice. He stated "there's some areas, maybe, they don't want to have fracking. And I think if the voters are voting for it, that's up to them."

Healthcare
<u>Clinton</u>
Health Insurance:
Clinton wants to improve the Affordable Care Act. She wants to reduce the cost of health insurance purchased on exchanges and provide a tax credit of up to $5,000 per family to offset out-of-pocket costs and premiums above 5 percent of household income. She would expand current tax credits and cap the cost of premiums at no more than 8.5 percent of family income. She also calls for fixing the "family glitch" so families can access coverage in the exchanges when their employer's family plan is unaffordable. She would allow undocumented immigrants to buy insurance through the exchanges.

Prescription Drugs:
Clinton wants to eliminate tax breaks that pharmaceutical companies get for direct-to-consumer advertising, and require those that benefit from federal research spending to reinvest profits into research. She also would ban legal settlements in which pharma companies pay competitors so they will hold off on introducing generics and would

allow consumers to reimport cheaper drugs from countries such as Canada. She supports allowing Medicare to negotiate lower drug prices and would cap out-of-pocket costs for people with chronic health problems.

Medicaid:
Clinton supports President Obama's proposal to let states that sign up for Medicaid expansion to receive a 100 percent match for the first three years. She would also expand access to Medicaid and children's health insurance.

Medicare:
Clinton has vowed to fight proposals to privatize or phase out Medicare, and she would give Medicare the power to negotiate lower drug costs.

Social Security:
She opposes privatization, reducing annual cost-of-living adjustments, and raising the retirement age. She would expand Social Security for some, such as widows and caregivers, and help to fund the benefit through a wealth tax.

Medical Research Funding:
Clinton advocates for increasing funding for Alzheimer's research to $2 billion a year, paying for care-planning services through Medicare, and funding a federal program to help locate Alzheimer's patients who wander.

Trump

Health Insurance:
Trump opposes requiring individuals, even those who can afford it, to buy health insurance. He wants to repeal the Affordable Care Act. He proposes to make coverage more affordable by allowing sales of health insurance across state lines and permitting people to deduct health insurance premium payments from their taxes. He would emphasize tax-deductible health savings accounts (HSA's), where funds could accumulate if they are not used. He wants to require price transparency by healthcare providers so that individuals can shop around for the best prices. He also wants would-be immigrants to certify that they can pay for their own healthcare.

Prescription Drugs:
Trump calls for a free market for prescription drugs, including allowing consumers to import them from countries that regulate prices. This practice is now illegal, though the law is not firmly enforced.

Medicaid:
He wants states to get their federal Medicaid funding through block grants, which would mean fewer dollars for many states, but would give local officials more authority over expenditures.

Medicare:
After seeming to agree with his then-opponent Ben Carson about replacing Medicare with health savings accounts, Trump last October spoke on MSNBC against the proposal.

Social Security:
Trump has voiced support for Social Security and called it "honoring a deal." He has said Republicans cannot win elections if they seek to change it substantially.

Medical Research Funding:
Trump has called funding for Alzheimer's research "a total top priority," but he has not offered many specifics about policies he would pursue.