



LIUNA!

March 19, 2020

TERRY O'SULLIVAN
General President

ARMAND E. SABITONI
General Secretary-Treasurer

Vice Presidents:

TERRENCE M. HEALY

RAYMOND M. POCINO

JOSEPH S. MANCINELLI

ROCCO DAVIS

*Special Assistant to the
General President*

VINCENT R. MASINO

DENNIS L. MARTIRE

ROBERT E. RICHARDSON

RALPH E. COLE

JOHN F. PENN

OSCAR DE LA TORRE

SERGIO RASCON

ROBERT F. ABBOTT

SAMUEL STATEN, JR.

PAUL V. HOGROGIAN

THEODORE T. GREEN

General Counsel

HEADQUARTERS:

905 16th Street, NW

Washington, DC

20006-1765

202-737-8320

Fax: 202-737-2754

www.liuna.org

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Chuck Schumer
Minority Leader
U.S. Senate
Washington, D.C. 20510

Dear Speaker Pelosi, Leader McCarthy, Leader McConnell, and Leader
Schumer:

On behalf of the 500,000 hard working men and women of the Laborers' International Union of North America (LIUNA), I urge you to include needed relief for our Union's members in the next economic stimulus package relating to COVID-19, also known as Coronavirus.

The economy-wide impacts of this crisis are yet to be fully understood, but it is fair to say that LIUNA members and their families need assistance in both the near term, and into the future, as the economy tries to recover from this crisis.

As the country rallies together to fight this global health crisis, LIUNA and its members stand ready to do our part to return the United States to economic prosperity. However, there are specific issues unique to our membership that I hope you will consider when crafting legislative proposals to address this urgent crisis.

Unemployment Assistance

Many construction jobsites are being shut down around the nation because of COVID-19, and there is a very real threat that the country could lose an entire construction season. This could cost many of our members their jobs. LIUNA appreciates the Unemployment Insurance (UI) included in H.R. 6201, and asks that Congress allow for UI assistance, including for workers who have good

Feel the Power

cause to terminate their employment (such as when a parent has to care for a child whose school is closed), electronic filing, and more funding for state workforce agencies to process UI claims.

Health Care

Most of LIUNA's membership works in the construction sector, and has no paid sick leave or Family Medical Leave Act (FMLA) coverage, due to the industry's unique multi-employer structure. If our members can't work because of illness or a public health emergency that shuts down their jobs, there is no sick leave to rely on. Additionally, the added stress of the COVID-19 crisis on our labor-management benefit funds is likely to strain the resources of our health and welfare and pension funds.

Accordingly, we urge you to include the following measures in future legislation aimed at alleviating this crisis:

- **Paid Sick Leave** – Although H.R. 6201 (Second Stimulus) included a provision for workers to get two weeks of paid sick leave in certain limited COVID-19 related circumstances, including if they are subject to a quarantine order, are advised to self-quarantine by a health care professional, are caring for someone under quarantine, or if the worker's child's school or daycare is closed due to COVID-19, broader coverage for paid sick leave is necessary, and should be available for all workers regardless of sector or size of the employer's workforce. It should also apply when an employer sends workers home believing that their workplace has been compromised.
- **Health and Welfare Funds** – LIUNA members need federal financial assistance to maintain their health plan coverage while they are unemployed due to the COVID-19 crisis. LIUNA members who work in the construction industry depend on multi-employer health and welfare trust funds for their and their families' health plan coverage. These benefits are funded by collectively bargained employer contributions generated by hours worked on construction projects. Members' eligibility for coverage is based on the hours they work. When unemployed for periods of time, our members lose their eligibility for health care coverage, and their health funds lose contribution income. They can self-pay for continued coverage (e.g. COBRA coverage) in theory, but they typically cannot afford the self-pay premiums.

The COVID-19 crisis likely will cause a majority of our members to be unemployed for an extended period of time. This is why we need assistance, such as through federal payment of their COBRA premiums to their health funds. The health funds will not be able to continue to

provide health care coverage without receiving assistance to cover these costs. To make matters even worse, in addition to losing collectively bargained contribution income, the health funds have suffered massive losses of investment income on their reserves because of the stock market.

In light of the potential for large scale exposure to the COVID-19 virus, our health and welfare funds can expect significant cost increases for our member and their families. The federal government should establish a federally funded reinsurance program under which our health and welfare funds can be protected against the devastating effects of unanticipated excessive claims costs. Absent such a program, it is very likely that health funds will be bankrupted and be unable to provide health care coverage any longer. Any tax on health trust funds to pay for the reinsurance program would be counterproductive because it would deprive funds of assets they need to remain in existence to provide coverage.

- **Health and Safety**– LIUNA’s members across all sectors face exposures daily that require protection during the COVID-19 crisis. OSHA must issue an Emergency Temporary Standard to protect working people from occupational exposure to infectious diseases, including COVID-19. Additionally, employers should be required to provide needed Personal Protective Equipment (PPE), and any other needed training and equipment to protect our members.
- **Family and Medical Leave** – Because Laborers typically work for multiple employers in a year, and many of our employer contractors do not meet the 50 employee threshold, most workers in the construction sector do not meet the eligibility requirements of the FMLA. Future legislation should allow for construction workers to be covered by the act regardless of the size of their employer or the multi-employer nature of our jobs.

Pension Relief

The COVID-19 crisis will severely impact the funding of the vast majority of multi-employer defined benefit pension funds that are healthy, and will devastate the pension funds that are already deeply troubled and nearing insolvency. These pension funds depend on collectively bargained employer contributions generated by hours worked by our members, and in some instances on investment income to pay billions of dollars in monthly benefits throughout our nation. As work dries up and the investment markets’ devastating decline slashes asset values, more pension funds will fall into trouble through no fault of their own.

- The time is now for Congress to fund the Pension Benefit Guaranty Corporation's (PBGC) multi-employer plan guaranty program with 8 to 10 billion dollars annually in general revenues; to create a new plan partition program to move liabilities from deeply troubled pension funds to the PBGC; and to ensure that the funds' participants, pensioners, and beneficiaries receive the full amount of benefits they earned. The PBGC cannot and should not be saved with increases in PBGC premium rates which are destructive and counterproductive, and have the potential to destroy the entire multiemployer defined benefit pension plan system.
- Congress needs to authorize multi-employer pension funds to actuarially smooth investment losses attributable to the COVID-19 crisis over 10 years or more, so that the pension funds have a fair opportunity to recover.
- Congress needs to finally authorize alternative plan designs for multi-employer pension funds, like the composite plan design in the proposed GROW Act, to better equip fund sponsors to deal with investment volatility, and to strengthen and preserve the defined benefit multiemployer system.

Public Employees

- **State/Local Government Assistance** – our state and local employees serve the American people every day in the areas of health care, transportation, public works, parks and recreation, and much more. They need the same health and safety and paid leave protections as private sector workers during this crisis, including if they or their family members are exposed to COVID-19, or if they need to care for their children if schools are closed. State and local governments need federal funds to deal with the COVID-19 crisis as well.
- **Federal Employees** – LIUNA represents over 10,000 federal workers at the Indian Health Service (IHS), Department of Defense (DOD), Federal Aviation Administration (FAA), and the Veterans Administration (VA), among others. We call on Congress to let federal workers use telework to the maximum extent possible, provide frontline assistance for federal workers in health care settings (including health and safety protections and standards, and proper CDC guidance), and bargain to the extent possible regarding changes in working conditions.

Infrastructure

This crisis has made it clear that the United States and the entire global economy is interconnected, and when a catastrophe strikes one place on the globe, its

ripples are significant. When a crisis confronts the entire planet, the ripples become tidal waves. Now, more than ever, the country is going to need a massive infusion of resources to help rebuild our economy, and our crumbling and deficient infrastructure, after we get through this crisis.

Congress should focus recovery efforts on direct federal funding of our infrastructure and stop pretending that it can be done without a robust funding plan. The good news is that there are existing programs in place to absorb increased federal funds, and to return those funds back to tax payers and communities in the form of construction projects that will improve all our lives

- **Highway Trust Fund/Surface Transportation**--LIUNA continues to support a user-fee-based approach for funding critical core transportation infrastructure. However, the fact that many construction workers are facing the possible collapse of an entire construction season will require urgent action so that workers can return to work as soon as possible. Precious time will be wasted if Congress tries to rewrite programs that already have a good track record of success. The current authorization for the FAST Act will expire at the end of the year, and the trust fund itself faces a looming fiscal cliff. The Highway Trust Fund and the Mass Transit Account should receive sufficient funding in any subsequent package to sustain a full reauthorization of the core programs. The construction sector will need to resume normal operations as quickly as possible if we hope to blunt the impact of COVID-19 on our members. Debating over program specifics can still happen at Congress' indulgence, but the funding needs to be secured now, and provided far enough into future years so that contractors and workers can plan accordingly.
- **Clean Water/Safe Drinking Water**--The Federal Revolving funds are the best vehicles to provide for additional resources into water infrastructure. These programs have a track record of success but suffer from inadequate resources. A massive infusion of funding into these programs will not only help the workers on these projects but also the communities who are in desperate need of water infrastructure improvement.
- **Water/Civil Works**--Water resources are not just drinking water and clean rivers, but also infrastructure projects critical to commerce and flood protections. The Water Resources Reform and Development Act is also in need of reauthorization. Getting this legislation enacted, along with the additional funding needed to actually carry out the projects, will create jobs, improve commerce, and provide for workers and their families.


- **Building Stock**--It comes as no surprise that there may be an insufficient supply of hospitals and hospital beds to deal with this pandemic. It is criminal that our nation has not prepared for this eventuality better. We need federal funding for more hospitals and schools. While much of our hospital space is privately held, robust funding into new capacity for Veterans Administration Hospitals will serve the dual purpose of servicing the needs of our veterans and providing the nation with additional capacity in times of crisis. Local school districts need help to alleviate overcrowding and provide children with a safe and healthy place to learn.

While the federal government is the best and most effective way to move money into infrastructure projects, LIUNA continues to support other financing and tax measures to incentivize private construction of public infrastructure. Public/Private Partnerships and innovative all-of-the-above measures can help fill in niches in our national infrastructure, but safeguards need to be in place to protect communities and workers from exploitation.

Finally, I want to stress the importance of making sure that federal action to address COVID-19 should benefit the workers and families who are bearing the brunt of this crisis. Federal assistance, whether broadly applied or targeted by sector, needs to benefit the workers who build and serve America.

With kind regards, I am

Sincerely,



TERRY O'SULLIVAN
General President