

Last-minute highway funding bill still leaves labor grumbling

WASHINGTON, D.C. — Congress' last-minute passage of a \$10.9 billion bill to fund highway, bridge and mass transit projects through May 2015 left union leaders grumbling. That's because the lawmakers did nothing to solve the permanent problems of the Highway Trust Fund, whose gas tax revenues ordinarily fuel the projects. The fund was running out of money, thus threatening to idle 700,000 construction workers.

Lawmakers found the funds elsewhere, thus "kicking the commuter down the road" before leaving Aug. 1 for their month-long recess.

At press time, the bill was still waiting for President Obama's signature. He is expected to sign it.

The short-term funding bill was drafted by the Republican-controlled House, and relies heavily (\$6.4 billion) on a budget gimmick known as "pension smoothing." The provision allows companies to cut back on their pension contributions. It is considered a "revenue-raiser" because contributions that employers make to their pension plans are not taxed by the federal government until the benefits are paid to workers. By allowing companies to contribute less to their plans, the federal government calculates it will collect more revenue — either from the anticipated increase in company revenue, or from workers in the form of higher wages.

According to a survey by Pensions and Investments, the largest 100 U.S. defined benefit pension plans already were underfunded to the tune of \$122.3 billion in 2013.

Wesley Smyth, vice president and senior accounting analyst at Moody's, told CNBC that the legislation created a \$51 billion corporate piggy bank. "In effect, it allows companies to borrow cash from their pension plans," he said.

The Hill newspaper reported that after the House rejected a bipartisan proposal from the Democratic-controlled Senate, senators held their noses and voted 81-13 for the bill.

[The \$8.1 billion Senate bill also resorted to pension smoothing, but to a lesser extent. Senators also sought to shorten the length of the extension to December.]

Senate Finance Committee Chairman Ron Wyden (D-Ore.) said the House action was clear that it was "our way or no highway." If the Senate hadn't acted, the Highway Trust Fund would have gone bankrupt during the August recess.

Laborers Union President Terry O'Sullivan laid the blame on the GOP House, both for waiting until the last minute on the fix and on its refusal to approve a long-term highway bill.

"Sadly, some Washington politicians want to stick their heads in the sand, avoid this debate as long as possible, and continue to pretend the status quo is acceptable."

Amalgamated Transit Union President Larry Hanley extended the blame to both chambers, calling the short-

term fix an "ongoing game of kick the commuter down the road."

The AFL-CIO Executive Council was similarly disgusted in a statement it issued on July 30.

"Political gridlock has turned the United States from the nation that led every major advance in public economic development — in rail and transit, roads, sewers, utilities, aviation, shipping and so much more — into a nation that can't find the will to lead in the 21st century," it said.

"People want and deserve leadership that will take the steps necessary to keep the nation strong and to ensure the foundation for our economy is sound. This leadership must begin by rebuilding the infrastructure that thrust the United States into the modern era but now is out of date and falling apart."

Non-partisan studies calculate the U.S. must spend \$3.6 trillion by 2020 to bring roads, bridges, subways and buses into good condition.

The federal gas tax of 18.4 cents per gallon hasn't been raised since 1993. If the tax had just kept pace with inflation it would be at 29 cents a gallon today. National transportation and construction unions have endorsed a bipartisan proposal that would raise the federal gas tax by 6 cents in each of the next two years. After that, increases would be indexed to inflation.

The proposal won't get through the current House.

"The House leadership doesn't have an agenda — and they couldn't pass one if they did, because their caucus is so divided," said AFL-CIO Legislative Director Bill Samuel. He called the 113th Congress the least-productive Congress in history.

U.S. Rep. Peter DeFazio (D-Ore.), a senior member of the House Transportation & Infrastructure Committee, told Reuters that the Republican extension bill would discourage Congress from passing a multi-year transport funding plan until next year.

"We'll limp along until next May and there'll be incredible uncertainty about the next construction season," DeFazio said. "There won't be major new projects planned."

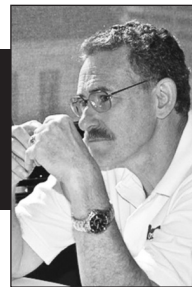
Last month DeFazio introduced a long-term funding bill that would repeal the federal gas tax and replace it with a modest tax on a barrel of oil. H.R. 4848 would raise more than \$100 billion, enough to fund highway and transit programs for the next six years, thereby creating and saving hundreds of thousands of jobs.

All of Oregon's and Washington's Congressional delegations — with the exception of U.S. Rep. Earl Blumenauer (D-Ore.) and U.S. Rep. Jim McDermott (D-Wash.), voted in favor of the bill to extend highway funding.

(Editor's Note: Press Associates Inc. contributed to this report.)

Who's On Our Side?

By Tom Chamberlain



On Aug. 9, a canvass was held to gather signatures on the City of Portland Fair Chance for All petition. Fair Chance, also known as Ban the Box, would prohibit employers and landlords in the City of Portland from requiring applicants to reveal on an initial application form if they have been arrested or convicted of a crime. This question is used as a means to whittle down an applicant pool, effectively making the job of the screeners easier. But the effect of such a practice is that ex-offenders are excluded from housing and employment, increasing the likelihood of once again being intertwined in the criminal justice system. A place to live and a steady job are proven to reduce recidivism.

Twelve states and over 60 local jurisdictions have implemented a Fair Chance policy. In Minneapolis, the implementation of a Fair Chance policy resulted in a 54 percent increase in job applicants getting called back for interviews. It's clear to me that these policies work.

The City of Portland and Multnomah County have implemented a Fair Chance policy for their hiring practices. Implementing a program for everyone who works in Portland is the next logical step, and hopefully, Portland City Council will pass a broader Fair Chance policy this fall.

At a recent community event about Fair Chance, I sat next to a woman in her 50s who had a previous conviction on her record. She's a mother who for over 10 years has been trying to break into the job market. In a few words, she captured the essence of the Fair Chance movement: "When a child misbehaves, the parent will use discipline as a means to correct behavior. If a timeout or restrictions of activities correct the behavior, the matter is ended and the parent doesn't continue to discipline the child. But with ex-offenders who serve their sentences and want to rebuild their lives, being denied a job or housing is a cycle of discipline that has no end."

It's important to understand what Fair Chance policies will not do. Fair Chance does not stop a landlord or employer from conducting background checks, nor does it deny the right to hire who they deem to be the most qualified. Fair Chance doesn't supersede state and federal laws that excluded some ex-offenders from certain types of employment.

The canvass was in North Portland, and it was inspiring on several levels. Fair Chance is a righteous issue, and providing information face to face with the citizens of Portland gains support and expands the discussion. The canvassers were from

the Urban League, The Bus Project, Oregon Action, and from a variety of local unions.

What we saw Aug. 9 was another step toward rebuilding the progressive movement by community organizations and unions working together toward a common goal. It harkens back to the waning days of the 19th Century and the early days of the 20th Century, where activists working outside the political system built grass-roots support, which overwhelmed the political system and forced great changes like the 8-hour day, women's voting rights, Social Security, child labor laws, workplace safety, Medicare and Medicaid. These wins, which are now crucial parts of our society, were all achieved by a diverse group of organizations who fought together to achieve great things.

I'm proud to see Oregon's unions standing with our community partners as we fight together with the noble hope of accomplishing great things. Learn more and get involved in A Fair Chance for All by visiting www.fairchanceforall.com.

Tom Chamberlain is president of the Oregon AFL-CIO.

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