

...Lame-duck Congress changes law on union pensions

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Even then, the U.S. Treasury Department can override the vote and go forward with the cuts if it concludes that impending plan insolvency poses “systemic” risk to PBGC.

The legislation was supported by the Building Trades of North America, as well as Associated General Contractors; United Association of Plumbers and Pipefitters; International Union of Operating Engineers; International Union of Painters and Allied Trades; United Brotherhood of Carpenters; Service Employees International Union; and United Food and Commercial Workers, as well as Kroger Corporation.

“This is a tool for trustees of plans that can be made solvent long-term,” said Randy DeFrehn, executive director of NCCMP, the multi-employer trade group that originated the proposal. DeFrehn said a bailout, or other fixes, might have been preferable, but when the Democrats were in charge of the House, his group was unable to get anywhere with proposals for the government to step in to guarantee the PBGC. “I think the Republicans did this because they don’t want ... PBGC to go bankrupt and have to write a \$40 or \$100 billion check in the future,” DeFrehn said.

On the other hand, the proposal was opposed by the Teamsters, Machinists, Boilermakers, United Steelworkers, Laborers International Union, AARP, and the non-profit Pension Rights Center — mostly because of the principle that it’s wrong to cut promised benefits after a worker retires.

Normally, legislative proposals go through committee hearings, and are subject to amendments and votes. In this case, the pension legislation took the form of Amendment 1 in the House Rules Committee to H Res 776, a bill governing consideration of HR 83, a massive bill to fund the entire federal government. HR 83 was known as the “CRomnibus” because it combined a “Continuing Resolution” (an agreement to maintain current funding levels when Congress can’t agree on the correct new level) and an “omnibus” appropriations bill (appropriations for 11 separate parts of government, all voted on as one bill.)

The closest Amendment 1 got to a Congressional debate was a Dec. 10 hearing in the House Rules Committee, at which Democrat Alcee Hastings of Florida confronted Miller, citing the AARP and quoting Machinists President Tom Buffenbarger. Hastings said it would be the first time in 40 years since the passage of the legislation

known as ERISA that Congress would allow plans to cut pension benefits to those already retired.

Miller responded vigorously: “Right now, if we do nothing, those very same retirees that you’re worried about have a very high likelihood of losing all of their benefits, or going to the PBGC and getting a maximum benefit of \$12,000 a year,” Miller said. “They have one pool of money. Can they make it go for a longer period of time for a greater number of people, or do they just have to go with the dictate that they all go to a minimum benefit? And if enough of them go to the minimum benefit, the ambulance that’s carrying them runs off the road — the PBGC goes bankrupt, and they get nothing.”

“It’s been great listening to this debate over the soul of the Democratic Party,” scoffed Oklahoma Republican Tom Cole.

Soon after the exchange between Hastings and Miller, HR 776, attaching pension reform to the appropriations

HOW THEY VOTED:

All four Oregon Democrats in the House (Earl Blumenauer, Suzanne Bonamici, Peter Defazio, and Kurt Schrader) voted no. Eastern Oregon Republican Greg Walden voted yes, as did Southwest Washington Republican Jaime Herrera Beutler.

In the Senate, Oregon’s Jeff Merkley and Ron Wyden voted no, as did Washington’s Maria Cantwell, but Patty Murray voted yes.

In October, over 100 union sheet metal, electrical, plumbing and mechanical contractors signed a letter calling on Wyden to support the Solutions Not Bailouts proposal. But Wyden objected to the process: “Legislation this complex and controversial requires thorough review and analysis,” Wyden said in a statement. “In fact, no one in the Senate, including the committees of jurisdiction, had the opportunity to review the bill.”

bill, passed 9-4 in House Rules. Then HR 83, the CRomnibus, passed the House 219-206 on Dec. 11, with 162 Republicans and 57 Democrats voting for it, and 67 Republicans and 139 Democrats voting against. Next, the Senate approved HR 83 by 56-40 on Dec. 13, with 32 Democrats and 24 Republi-

cans voting for it, and 22 Democrats and 18 Republicans voting against it.

DeFrehn said the work of rescuing union pension plans isn’t done.

“We’ve put a tourniquet on a gigantic gaping wound, and now what we need to do is provide a path forward so we can have a secure retirement system.”

Unions lukewarm on Portland street fund

A proposed Portland street fund has found less than enthusiastic support from organized labor.

Unions, particularly the building trades, often come out in support of public investment in jobs and infrastructure. In this case, Portland Mayor Charlie Hales and Commissioner Steve Novick are proposing a business fee and a progressive income tax that — after administrative costs — would net roughly \$34 million a year to fund pavement maintenance and street safety improvements. But COPPEA, the independent union that represents city transportation engineers, has been the only union to testify in favor of it at City Hall. One other union, Laborers Local 483, approved a conditional resolution of support after some debate at

its Nov. 18 general membership meeting. [Local 483 represents workers at the Portland Bureau of Transportation who’d actually do much of the maintenance work.] The Northwest Oregon Labor Council voted Dec. 8 to support it, but with conditions, and it was not unanimous. The conditions are that there be a labor seat on the fund’s oversight committee, and that the street projects be covered by the requirement to pay prevailing wage. Meanwhile, the Columbia-Pacific Building and Construction Trades Council has not taken a position on it.

Of course, the proposal isn’t currently headed for a ballot, and Portland City Council doesn’t need union say-so to move forward. But the Oregon Fuels Association has pledged to refer it to


voters by working to gather 21,000 signatures within 30 days of the ordinance’s passage. If that happens, City leaders are sure to come to labor asking for help defending the street fund.

As outlined by PBOT, Portland businesses would pay a fee of between \$3 and \$144 a month under the proposed ordinance, depending on square footage, number of employees, and gross revenue; non-profits would pay 50 percent of the for-profit rate. Residents, meanwhile, would pay based on income: \$5 a month for a couple making \$40,000 to \$60,000 a year, \$7.50 a month for a couple making \$60,000-\$75,000, and \$10 a month between \$75,000 and \$100,000, all the way up to \$75 a month for couples making more than \$350,000.


The push for more street funding comes after the City Auditor published a pair of reports in 2013 that faulted the City of Portland for neglecting street maintenance. The audits found that funding for core services like maintaining streets has been displaced by new transportation commitments taken on by the City, including the Sellwood Bridge replacement, the Portland Milwaukie Light Rail line, and expansions of the Portland Street Car. The auditor recommended that the City spend an additional \$75 million a year for 10 years on street maintenance — in order to avoid more expensive repairs later on. The proposed street fund wouldn’t even come close to that: It would spend about \$15 million on street maintenance like sealing and repaving, and slightly less on safety improvements — like sidewalks around David Douglas High School, street medians, and flashing beacons at dangerous intersections.

At a Nov. 20 breakfast hosted by the Northwest Oregon Labor Council, Mayor Charlie Hales told labor leaders

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