



TO: ALL LOCAL UNION AND JOINT COUNCIL PRINCIPAL OFFICERS, POLITICAL COORDINATORS, AND STATE LOBBYISTS

FROM: CHRISTY BAILEY, DIRECTOR
DEPARTMENT OF FIELD & POLITICAL ACTION

LISA KINARD, DIRECTOR
DEPARTMENT OF FEDERAL LEGISLATION & REGULATION

DATE: OCTOBER 9, 2009

RE: IBT LEGISLATIVE UPDATE – SEPTEMBER 2009

1. **Employee Free Choice Act (H.R. 1409/S. 560):**

On September 10, American Rights at Work organized a national Allies Lobbying Day. People from various organizations, including faith-based, community, and environmental groups, descended on Capitol Hill to lobby members of Congress in support of the Employee Free Choice Act. A toll-free number was also set up for a national call-in day to congressional offices.

Paul Kirk, the recently appointed interim Senator for Massachusetts, has already said he will cosponsor the bill and vote for it when it comes to the floor. However, passing health insurance reform legislation remains the top priority in Congress, and the Employee Free Choice Act is not expected to be brought to the floor in the Senate at any time before then.

Our letter-writing and phone call campaigns continue, and we ask that all Local Unions and Joint Councils continue to encourage members to write and call their Senators. For a sample call script, handwritten letter, and/or reporting form, please contact the Department of Field & Political Action.

2. **Federal Aviation Administration (FAA) Reauthorization (H.R. 915):**

As the health care debate dominates the agenda, there has been no movement yet on bringing the FAA Reauthorization bill to the Senate floor for a vote. On September 23, the House passed, by voice vote, a three-month FAA extension that authorizes continued funding for federal aviation programs, and on September 24, the extension also passed in the Senate by unanimous consent and was sent to the President for his signature. The previous six-month FAA extension signed into law in March expired on September 30, 2009.

We continue to advocate with key Senators for the inclusion of the Express Carrier provision in the final FAA Reauthorization bill, which once passed by the Senate, will be sent to a conference committee to reconcile differences between the two chambers. Our letter-writing campaign to Senators continues as well. For a sample handwritten letter, please contact the Department of Field & Political Action.

3. **Health Insurance reform:**

Senator Max Baucus (D-MT), Chair of the Senate Finance Committee, released his proposed version of health insurance reform legislation, the America's Healthy Future Act,

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soon after Congress returned from the August recess. The IBT has serious concerns with a number of provisions in the bill, especially with the 40% excise tax on certain "high-cost" insurance plans – individual plans over \$8,000 and family plans over \$21,000. Modifications were made to these threshold levels for workers in high-risk industries (firefighters, law enforcement, mine workers, construction workers, etc.) and also for non-Medicare retirees aged 55 and older. For these two categories, threshold levels were increased to \$9,850 for individual plans and \$26,000 for family plans. The IBT continues to oppose any taxation on health care benefits, whether it is a tax on the worker, employer, or insurance company. Any kind of tax will simply end up being passed along to the consumer.

The Senate Finance Committee's bill does not include an employer mandate, unlike the House bills (H.R. 3200) and the Senate Health, Education, Labor, and Pensions (HELP) Committee version of the Affordable Health Choices Act -- all of which include a "pay or play" provision requiring employers either to provide coverage for employees or make contributions on their behalf into an insurance pool. The Finance Committee's bill also does not include a public insurance option. Votes on two different amendments to include the public option, offered by Senators John Rockefeller (D-WV) and Charles Schumer (D-NY), failed to garner enough support in the committee on September 29.

On September 21, a letter from General President Hoffa was sent to all Members of the Senate Finance Committee expressing our concerns with the legislation as it currently stands and our opposition to the excise tax provision. To view this letter, please visit www.teamstersforhealthcarereformnow.org.

The Senate Finance Committee completed the mark-up of its bill on October 1. A final committee vote on the amended bill is expected on October 13. The Finance Committee bill must then be combined with the HELP Committee bill before debate begins on the Senate floor. Senate Majority Leader Harry Reid (D-NV) had hoped to begin debate right after the Columbus Day holiday, but it now looks like a bill will not be ready to bring to the floor until the week following Columbus Day.

In the House, there is no clear indication as to when a bill will be brought to the floor. The House Ways and Means, Education and Labor, and Energy and Commerce Committees have all passed their versions of H.R. 3200, but these three versions must still be merged. The Senate Finance Committee's proposed excise tax on so-called "high value" health plans has drawn considerable opposition among House Democrats. Representative Joe Courtney (D-CT) circulated a sign-on letter to House Democrats to be sent to Speaker Pelosi in opposition to the excise tax proposal and urging that the tax not be included in the House bill. 169 House Democrats have signed on to the Courtney letter, and the letter has been reopened for additional signatures in the hopes of reaching close to 200 signatories. The IBT has been working to get cosigners. We thank all Teamster leaders and political coordinators who have reached out to House Democrats on this issue and ask that further calls be made to those who have yet to sign on (please see attached list).

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4. Pension reform:

The Teamsters Union is working with several organizations, including the National Coordinating Committee for Multiemployer Plans (NCCMP), to advance a proposal for multi-employer pension relief, in particular for the Central States Fund. The proposal would allow for partitioning out orphans in the plans, as well as language on plan mergers and fiduciary issues. The group also wants to see Congress fully fund the Pension Benefit Guaranty Corporation (PBGC).

Rep. Earl Pomeroy (D-ND) is expected to soon introduce a bill which would address some of our concerns on orphan partitioning and fiduciary responsibility. It is likely that Pomeroy's bill will later be rolled into a larger package to be introduced by Rep. George Miller (D-CA), Chair of the House Education & Labor Committee. Rep. Steve Israel (D-NY) also plans to introduce legislation which would allow Troubled Asset Relief Plan (TARP) funds to be used to fund the PBGC.

On October 1, the House Ways & Means Committee held a hearing on funding levels for defined benefit pension plans and investment advice rules for participants in defined contribution pension plans. Judith F. Mazo, senior vice president and director of research at The Segal Company, testified on behalf of the NCCMP.

5. Financial reform:

The IBT has joined Americans for Financial Reform (AFR), a coalition group dedicated to bringing about financial reform and re-regulation, and a separate Labor Caucus has formed within the group as well. AFR and the IBT have been advocating with members of the House Financial Services Committee for passage of H.R. 3126, the Consumer Financial Protection Agency Act, sponsored by Rep. Barney Frank (D-MA), Chair of the Committee. The legislation would create the Consumer Financial Protection Agency (CFPA), an independent oversight body which would take over the task of protecting consumers and ensuring that financial products and services are fair and safe and that contract terms are clear and comprehensible. States would not be preempted from having stronger financial protection requirements. The Financial Services Committee held a hearing on the bill on September 30, and a mark-up of the legislation is expected soon.

The IBT also supported H.R. 3269, the Corporate and Financial Institution Compensation Fairness Act, which includes a "say on pay" provision, giving shareholders a non-binding vote when it comes to pay for top executives. The bill also includes a provision giving the Securities & Exchange Commission (SEC) the authority to step in when compensation practices are deemed to be too risky. H.R. 3269 passed the House on July 31, and has been referred to the Senate Banking, Housing, and Urban Affairs Committee, chaired by Senator Christopher Dodd (D-CT). However, rather than taking a piecemeal approach to financial reform through multiple bills, as is being done in the House, Senator Dodd has said that the various components to financial reform will be moved all together as one package in the Senate.

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6. Clean Energy Jobs & American Power Act:

On September 30, Senator Barbara Boxer (D-CA), Chair of the Senate Environment & Public Works Committee, and Senator John Kerry (D-MA), Chair of the Senate Foreign Relations Committee, introduced their version of climate change legislation - the Clean Energy Jobs & American Power Act. General President Hoffa commended the Senators for the legislation's expansion of states' recycling networks. The bill provides funding for a "State Recycling Program" that would increase and improve states' recycling efforts, resulting in more good-paying jobs.

The bill also states that it will in the future contain a provision that allows the U.S. to impose some sort of penalty on imports from countries that do not reduce their carbon emissions. General President Hoffa urged the inclusion of strong provisions to prevent foreign competitors from getting an unfair advantage over U.S. manufacturers, such as the carbon tariffs included in the American Clean Energy & Security Act, the climate change legislation passed by the House in July. "We've got to make China and India do the same thing we have to do," Hoffa said. "We just can't encourage companies to move jobs in clean U.S. factories to dirty factories overseas."

7. Fiscal Year 2010 Transportation-HUD Appropriations bill:

The Senate passed its version of the Fiscal Year 2010 Transportation-HUD (Housing & Urban Development) Appropriations bill on September 17. Included in the bill is a provision supported by Senator Collins (R-ME) for a pilot program allowing an increase in truck weight limits from 80,000 lbs. to 100,000 lbs. on all of Maine's interstate highways. The IBT opposes this pilot program as larger trucks are more dangerous to drive and contribute to the deterioration of roads and bridges. The House-passed version of the appropriations bill does not include this provision, and the IBT has been working to ensure that it is not included in the final bill that comes out of conference committee.

8. Surface Transportation Reauthorization:

On September 23, the House passed a three-month extension that authorizes continued funding for surface transportation programs. The authorization under the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for All Users (SAFETEA-LU), passed in 2005, was set to expire on September 30. Rep. James Oberstar (D-MN), Chair of the House Transportation & Infrastructure Committee, was hoping to have already completed a new, six-year reauthorization by now, but these hopes were dashed as health care has been the top priority in Congress.

The Senate has not passed the three-month extension, but a one-month extension was included in a continuing resolution (CR) passed by both the House and Senate to fund most of the federal government at 2009 levels past the end of Fiscal Year 2009 while

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9. Unemployment Compensation Extension Act of 2009 (H.R. 3548):

Many unemployed workers are facing the possibility of their benefits being exhausted by the end of the year unless Congress acts. On September 22, the House passed H.R. 3548, the Unemployment Compensation Extension Act of 2009, sponsored by Rep. Jim McDermott (D-WA). The legislation extends unemployment insurance benefits by up to thirteen weeks for workers in high unemployment states (states with a total unemployment rate of 8.5% or more). On October 8, Senate Democrats came to agreement on a bill that would extend benefits for 14 weeks in all states, with an additional six weeks for states with unemployment rates above 8.5%, and would be paid for by extending the federal unemployment tax through June 30, 2011. Democrats tried to move the bill last night by unanimous consent, but this was met with objections from Republicans. The bill will likely be brought to the Senate floor for a vote as soon as next week, and it is expected to pass.

10. Clean Truck Program:

The Teamsters Union is part of a broad coalition that has moved the Los Angeles Port's Clean Truck Program (CTP) forward. The port was unable to expand its operations without addressing pollution issues since it is in a non-attainment area. Non-attainment areas, as defined by the Clean Air Act Amendments of 1990, are "geographical areas whose air quality does not meet Federal air quality standards."¹ 87 million Americans live in and around port areas; in the Los Angeles port area, respiratory diseases, asthma, and cancer rates are higher than average, and are directly attributable to the high levels of air pollution.

While the CTP has been highly successful in removing more than 6,000 dirty trucks from drayage operations, it is under attack by the American Trucking Association, which successfully filed a lawsuit to halt the program. The court found that several elements of the program, including the concession agreements mandating that trucking firms use employee drivers rather than independent contractors, unlawfully re-regulated the port trucking industry. States and localities are preempted by federal statute from interfering with "rates, routes, or services" of trucking companies. Several other major ports, including New York-New Jersey, are watching the Los Angeles situation closely, since they face similar problems. The Teamsters Union and its allies have taken the issue to Congress, in an attempt to amend the thirty-year old law which deregulated the trucking industry, to carve out exemptions for environmental and security issues. Many Teamster leaders, especially in port areas, have weighed in with Members of Congress to support these efforts, and we thank you for your work on this issue. As we move forward, we will be asking more Local Unions and Joint Councils to join this fight.

If you have any questions or need additional information about this month's legislative update, please contact the Department of Field and Political Action at (202) 624-6993.

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¹"Overview – The Clean Air Act Amendments of 1990," Environmental Protection Agency, www.epa.gov/air/caa/caaa_overview.html.