



IBEW POLICY BRIEF

As a labor union, the International Brotherhood of Electrical Workers (IBEW) is a leading grassroots voice for working families. The IBEW represents approximately 775,000 active members and retirees throughout North America who work in a wide variety of industries including utility, construction, telecommunications, broadcasting, manufacturing, railroad, and government. We are focused on improving our members' lives and powering an economy that works for everyone.

Labor Standards

Protecting the Right to Organize Act of 2019. The IBEW supports H.R. 2474 and S. 1306, the Protecting the Right to Organize Act of 2019 (PRO Act). The PRO Act would modernize the National Labor Relations Act by providing more protection for workers including the right to organize and negotiate for higher wages and better benefits.

Union membership dropped from 20.1% in 1983 to 10.5% in 2018¹ and overall income inequality has significantly increased.² The IBEW believes that this decline in union membership is one of the principal causes of income inequality in the United States. The PRO Act would help counteract this inequality by strengthening labor rights. Specifically, the Act would:

- Prevent employers from interfering in representation elections by providing for civil penalties for interference
- Provide for first-contract mediation and arbitration, if necessary for the parties to reach a first agreement
- Repeal the prohibition on secondary boycotts
- Prohibit employers from permanently replacing strikers
- Update the definitions of independent contractor and supervisor to provide protection to more workers and eliminate worker misclassification

The IBEW asks that you support H.R. 2474 and S. 1306.

Davis-Bacon Act. The IBEW urges support for Davis-Bacon language in all applicable legislation to ensure that taxpayer-supported construction projects are built to the highest quality standards, safely, and on time.

The Davis-Bacon Act is a historically significant law that applies to contractors and subcontractors on projects receiving more than \$2,000 in federal funding for construction, alteration, or repair of public buildings or public works.³ The Act requires these contractors or subcontractors to pay their employees working on the project no less than the locally prevailing wages and fringe benefits.⁴ This will help ensure projects are built to the highest quality standards, safely, and on time.

The IBEW asks that you support workers by opposing amendments or legislation that would suspend or repeal Davis-Bacon requirements.

Excise Tax on Health Benefits

The IBEW supports H.R. 748, the Middle Class Health Benefits Tax Repeal Act of 2019, as passed, and S. 684.

Beginning in 2022, the excise tax, sometimes referred to as the "Cadillac tax," will apply to employer-sponsored health plans valued at more than \$11,200 for individual coverage and \$31,000 for family coverage.⁵ The tax will be assessed at a rate of 40% on amounts over set thresholds.⁶ Despite the tax being legislatively delayed, unions have already seen the effect of the expected excise tax at the bargaining table.⁷ Many of our members gave up pay raises to get the quality health care benefits that they have today.⁸ To make up for the anticipated cost of the tax, employers are shifting costs onto hardworking families

1. Bureau of Labor Statistics, U.S. Department of Labor, The Economics Daily, "Union membership rate 10.5 percent in 2018, down from 20.1 percent in 1983" Jan. 25, 2019 <https://www.bls.gov/opub/ted/2019/union-membership-rate-10-point-5-percent-in-2018-down-from-20-point-1-percent-in-1983.htm>.

2. See generally Henry S. Farber et al, "Unions and Inequality Over the Twentieth Century: New Evidence from Survey Data," Working Paper No. 620, May 2018, <https://dataspace.princeton.edu/jspui/bitstream/88435/dsp01gx41mm54w/3/20.pdf>.

3. 40 USC 3142(a)

4. 40 USC 3142(c)

5. Congressional Budget Office, Options for Reducing the Deficit: 2019 to 2028, Dec. 2018, <https://www.cbo.gov/system/files/2019-06/54667-budgetoptions-2.pdf>, p. 232.

6. Ibid.

7. Matthew Rae, Gary Claxton, and Larry Levitt, How Many Employers Could Be Affected by the High-Cost Plan Tax, Jul. 12, 2019, https://www.kff.org/private-insurance/issue-brief/how-many-employers-could-be-affected-by-the-high-cost-plan-tax/?utm_campaign=KFF-2019-Health-Costs&utm_source=hs_email&utm_medium=email&utm_content=2&_hsenc=p2ANqtz-NjLeywEk5zsjwGQuidkCxoJtmKSAiRbphlX-rf9Y59YL1UKVt_u4QOSOjii1ie-zv-ABQfQw-byLWYF03xHwOLMWiyZA&_hsmi=2.

8. Jenn Hagedorn et al, "The Role of Labor Unions in Creating Working Conditions That Promote Public Health," American Journal of Public Health, June 2016, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4880255/>.

through increasing deductibles, copays, and out-of-pocket maximum limits.⁹

The IBEW thanks you for your support of H.R. 748, the Middle Class Health Benefits Tax Repeal Act of 2019, and asks for your support of S. 684.

Multiemployer Pension Reform

The IBEW supports H.R. 397, the Rehabilitation for Multiemployer Pensions Act of 2019, as passed, and S. 2254, the Butch Lewis Act of 2019, which is pending in the Senate. However, the IBEW strongly believes that composite plans are not a solution to the multiemployer pension crisis.

Defined benefit multiemployer pension plans are administered by joint labor-management committees and funded in part by negotiated employer contributions. They form the backbone of the retirement safety net for 10 million Americans.¹⁰ However, there are more than one million participants currently in plans that are in critical or declining status.¹¹ The Rehabilitation for Multiemployer Pensions Act of 2019 and the Butch Lewis Act of 2019 would create a federal loan program for troubled multiemployer pension plans.

Most of the IBEW's multiemployer pension participants are in plans that are financially sound. However, there is serious concern about the systemic risks to these plans posed by failing plans over the next decade. If Congress fails to act to stabilize these failing plans, their loss would be felt in communities throughout the country. In addition, the National Coordinating Committee for Multiemployer Plans (NCCMP) estimated earlier this year that the federal government would lose between \$32 and \$103 billion in tax revenue over the next 10 years if there is no change to current law.¹² Federal spending on safety-net programs would also increase by \$263.8 billion by 2028 if no Congressional action is taken.¹³

The IBEW strongly believes that composite-plan proposals are not a solution to the multiemployer pension crisis. Composite plans would allow well-funded multiemployer plans to adopt hybrid pension plans, eliminate employer withdrawal liability, remove the safety net of the Pension Benefit Guaranty Corporation, and allow fund trustees to cut pensions. Composite plans do not address the current risk in the multiemployer pension system. Instead, they create new risks for participants and funds.

The IBEW thanks you for your support of H.R. 397 and asks for your support of S. 2254, the Butch Lewis Act of 2019. The IBEW also asks that you do not include composite plans as a solution in S. 2254.

Infrastructure

The IBEW urges Congress to pass a comprehensive infrastructure package that is broad in scope, robust in public funding, and strong in labor standards to ensure that high-quality infrastructure and improvements are built in a safe and timely manner.

The American Society of Civil Engineers, in its latest Infrastructure Report Card, found the United States needs to invest \$4.59 trillion by 2025 to meet the nation's infrastructure needs.¹⁴ If Congress fails to act, it could cost almost \$4 trillion in losses to the gross domestic product (GDP) and 2.5 million lost jobs by 2025.¹⁵ Congress must intervene and provide substantial funding to modernize every aspect of our infrastructure including the electric grid and broadband networks. In electric transmission alone, a \$30- to \$90-billion investment is necessary over the next 11 years to meet the growing demands of the transportation and industrial sectors of the economy.¹⁶

The IBEW believes that it is critically important that any infrastructure-related legislation or appropriation include Davis-Bacon Act protections and provisions to ensure that properly credentialed workers are completing the associated work. For example, as wireless companies and internet service providers build out 5G networks, the installation of telecommunications equipment should be done by workers who will ensure that the equipment is installed safely and does not interfere with electrical delivery. Therefore, federal regulations must specify that all National Electrical Safety Code standards be followed along with utility-specific standards for distance between communications equipment and utility high-voltage wires and devices.

The IBEW asks that you pass infrastructure funding legislation that addresses the need for investment in all sectors of our economy and includes the appropriate safety and labor standards.

Transportation

The IBEW supports electrification of the transportation sector, deployment of electric vehicle (EV) charging stations, and investment in the infrastructure necessary to make widespread EV charging stations a reality.

The US Environmental Protection Agency reported that the transportation sector accounted for the largest portion of total greenhouse gas (GHG) emissions in the United States in 2017.¹⁷ Nearly 59% of all transportation-sector emissions come from light-duty vehicles.¹⁸ The United States and other

9. Sara R. Collins and David C. Radley, The Cost of Employer Insurance is a Growing Burden for Middle-Income Families, Dec. 2018, https://www.commonwealthfund.org/sites/default/files/2018-12/Collins_state_premium_trends_2018_db_0.pdf, p. 8. See also Tax Policy Center, "What is the Cadillac Tax?," The Tax Policy Center's Briefing Book, 2018, https://www.taxpolicycenter.org/sites/default/files/briefing-book/bb_full_2018_1.pdf.

10. Pension Benefit Guaranty Corporation, Press Release, "PBGCC Projections: Multiemployer Program Remains in Dire Financial Condition," Aug. 6, 2019, <https://www.pbgc.gov/news/press/releases/pr19-09>.

11. John J. Topoleski, CRS Report R45187, Data on Multiemployer Defined Benefit (DB) Pension Plans, Aug. 10, 2018, <https://crsreports.congress.gov/product/pdf/R/R45187>, p. 5.

12. Mariah M. Becker, Testimony on Behalf of NCCMP at Hearing on The Cost of Inaction: Why Congress Must Address the Multiemployer Pension Crisis before the U.S. House of Representatives Committee on Education and Labor, Subcommittee on Health, Employment, Labor, and Pensions, Mar. 7, 2019, <https://edlabor.house.gov/imo/media/doc/BeckerTestimony030719.pdf>, p. 10.

13. Id at 12.

14. American Society of Civil Engineers, 2017 Infrastructure Report Card, March 2017, <https://www.infrastructurereportcard.org/wp-content/uploads/2016/10/2017-Infrastructure-Report-Card.pdf>, p. 8.

15. American Society of Civil Engineers, Failure To Act: Closing the Infrastructure Investment Gap For America's Economic Future, 2016, <https://www.infrastructurereportcard.org/wp-content/uploads/2016/05/2016-FTA-Report-Close-the-Gap.pdf>, p. 4.

16. Dr. Jürgen Weiss, J. Michael Hagerty, and María Castañer, "The Coming Electrification of the North American Economy," March 2019, https://wires-group.com/wp-content/uploads/2019/03/Electrification_BrattleReport_WIRES_FINAL_03062019.pdf, pp. 16-17.

17. U.S. Environmental Protection Agency, Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2017, 2019, <https://www.epa.gov/sites/production/files/2019-04/documents/us-ghg-inventory-2019-main-text.pdf>, at Trends 2-24.

18. Id. at Trends 2-29. This figure includes GHG emissions from passenger cars and light-duty trucks in 2017.

industrialized nations must electrify their vehicles to meet GHG-reduction targets.

To power these electric vehicles, it has been estimated that 9.6 million charging ports, or electric vehicle supply equipment (EVSE) units, will need to be installed by 2030.¹⁹ This would include hundreds of thousands of non-residential charging ports at office buildings, in parking lots, and at interstate service stops.²⁰ To maximize EVSE performance and ensure the safety of workers, first responders, and the public, it is essential that this specialized electrical construction work be done by properly trained and credentialed professionals.

The Electric Vehicle Infrastructure Training Program (EVITP) is a national non-profit, brand-neutral training program founded and supported by a broad group of electrical-vehicle-industry stakeholders. These certification requirements are already in place for the major investor-owned utilities in California and Nevada. The IBEW supports policies that ensure the installation of EVSE be made by properly certified professionals.

The IBEW also supports the electrification of our nation's railroad network, which would modernize the current system and reduce greenhouse-gas emissions. In addition, the IBEW supports significant investment in public transportation systems around the country, including subways, light rail, passenger rail, and commuter rail. World-class public transportation systems would help reduce the number of vehicles on the road, which would lower emissions while improving local economies and creating good-paying jobs.²¹

The IBEW asks that you support electrification of the transportation sector through direct investment and investment in the infrastructure necessary to make electrification of the transportation sector a reality.

The Green Economy

The IBEW supports S. 2185, the Good Jobs for 21st Century Energy Act. This legislation would create a 10% tax credit for qualifying clean energy generation facilities, energy storage properties, and carbon-capture and sequestration equipment that meet specified labor standards.

Traditional energy industries are highly unionized²² and provide some of the best jobs in their communities. The newer energy industries pay lower wages, require fewer workers, and rely on foreign-manufactured components.²³ Policymakers

must ensure that the “green economy” will create jobs similar in quality and quantity to those in traditional energy industries.²⁴ The Good Jobs for 21st Century Energy Act attempts to address this issue by providing a 10% tax credit to companies working on qualified projects that meet certain labor standards. Those standards include:

- Requiring Davis-Bacon prevailing wages
- An explicit neutrality policy on collective bargaining issues
- Strong worker classification standards
- Clear employment and safety standards through project labor agreements (PLAs)

The IBEW asks that you support S. 2185.

Manufacturing

The IBEW supports a national manufacturing policy based on public investment in new technologies. The policy should take advantage of North American energy abundance, maximize the domestic production of clean energy goods, and ensure rising pay.

The IBEW has had a significant footprint in the North American manufacturing sector. The diverse list of products manufactured by IBEW members includes electric motors and generators, advanced energy components such as light fixtures, household appliances, broadcasting and entertainment equipment, telecommunications equipment, and scientific and medical equipment.²⁵

The experiences of IBEW's members, and the labor movement more broadly, show that trade policy over the past several decades has been a significant factor in the sharp decline of domestic manufacturing. The IBEW believes it is imperative that cutting-edge products such as electric vehicles and advanced nuclear modules are manufactured in North America.

Key components of a successful national manufacturing policy would include:

- A domestic supply chain for national defense production and public procurement
- Expanded “Buy America” coverage
- Elimination of waivers and exemptions

The IBEW asks that you support workers by advancing legislation that would foster the growth of domestic manufacturing using the components listed above.

Trade

The IBEW supports strong labor-rights provisions and enforcement provisions in trade agreements and believes that improvements must be made to the United States–Mexico–Canada Agreement (USMCA).

19. Edison Electric Institute, Electric Vehicle Sales Forecast and the Charging Infrastructure Required Through 2030, Nov. 2018, https://www.edisonfoundation.net/iei/publications/Documents/IEI_EEI%20EV%20Forecast%20Report_Nov2018.pdf, p. 3.

20. U.S. Department of Energy, National Plug-In Electric Vehicle Infrastructure Analysis, Sept. 2017, <https://www.nrel.gov/docs/fy17osti/69031.pdf>, p. viii.

21. Economic Policy Institute, Full Speed Ahead: Creating Green Jobs Through Freight Rail Expansion, 2010, <https://secure.epi.org/files/page/-/pdf/050410-freightrail.pdf>, pp. 2-4.

22. See National Association of State Energy Officials and Energy Futures Initiative, The 2019 U.S. Energy & Employment Report, 2019, <https://www.usenergyjobs.org/2019-report>, pp. 67, 70, 79, and 82.

23. US International Trade Commission, Crystalline Silicon Photovoltaic Cells and Modules from China, Dec. 2011 https://www.usitc.gov/publications/701_731/pub4295.pdf and Executive Office of the President of the United States, Fact Sheet: Section 201 Cases: Imported Large Residential Washing Machines and Imported Solar Cells and Modules, <https://ustr.gov/sites/default/files/files/Press/fs/201%20FactSheet.pdf>.

24. See generally Betony Jones, Peter Phillips, and Carol Zabin, The Link Between Good Jobs and a Low Carbon Future, 2016, <http://laborcenter.berkeley.edu/pdf/2016/Link-Between-Good-Jobs-and-a-Low-Carbon-Future.pdf>.

25. International Brotherhood of Electrical Workers, IBEW Products, www.ibew-made.com.

In 2017, the AFL-CIO provided numerous recommendations for how trade policy and the USMCA could be improved.²⁶ Unfortunately, none of the AFL-CIO's recommendations are included in the current draft of the USMCA.²⁷ Without remarkable improvement in labor-rights enforcement, the substantive provisions of the USMCA in its current iteration are of little value. The IBEW supports the AFL-CIO's recommendations in their entirety, including:

- Strengthened labor rules, including explicit reference to International Labor Organization language that clarifies fundamental labor obligations and the elimination of footnotes that make the rules difficult to enforce
- New and strengthened rules (including rules of origin) for all manufacturing sectors to promote more US domestic content and high-wage production, including strengthening the \$16-per-hour labor-value content rule; rules for rail cars, steel, aluminum, and other manufacturing sectors; and appropriate wage-floor provisions
- Strengthened environmental rules and enforcement

The IBEW asks that you oppose the USMCA in its current form.

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Produced by OPEIU Local 2

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27. AFL-CIO Executive Council Statement, Trade Must Build An Inclusive Economy For All, Mar. 14, 2019, <https://aflcio.org/about/leadership/statements/trade-must-build-inclusive-economy-all>.