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ENERGY INFRASTRUCTURE

LIUNA supports an all-of-the-above energy policy that relies on a mix of energy sources – from nuclear power to renewables - that will create good jobs and help America reach clean energy goals while ensuring that our energy needs are met affordably now and in the future. LIUNA members work in every sector of the energy industry from power plant maintenance to pipelines and solar panel installation. However, critical energy projects are being held up in permitting battles across the nation. Congress can help by enacting rational policy that unlocks jobs and affordable energy while ensuring the safe and responsible development of domestic energy sources.

EXPANDING NATURAL GAS INFRASTRUCTURE

Expanding natural gas infrastructure can help bring affordable energy to underserved areas as well as help states meet Clean Power Plan targets laid out by the EPA. The boom in natural gas production has already reduced greenhouse gas emissions in the United States and it is a crucial bridge fuel to a future when the renewables industry has greater capacity. There has recently been a call to "keep it in the ground", meaning that all fossil fuel development including natural gas development should end. LIUNA opposes the "Keep it in the ground" Act of 2015 and 2016 (S. 2238 and H.R. 4535) which prohibits drilling in the outer Continental Shelf, and coal leases on Federal Land.

COMPREHENSIVE CLIMATE CHANGE LEGISLATION

LIUNA believes the solution to climate change is comprehensive climate change legislation. However, attempts to derail energy production project-by-project, won't impact climate change and only stall creation of desperately needed jobs. LIUNA opposes extreme environmental measures that undermine U.S. economic growth and harm working families.

PIPELINE APPROVAL PROCESS

LIUNA supports pipeline safety legislation that protects both the workers and the communities in which construction would be done. Furthermore, it is important that proposed pipeline projects go through the necessary procedures in order to be approved. Time and time again, however, we have seen pipeline projects that have met every requirement but get held up due to complicated bureaucracies.

LIUNA supports legislation that would streamline this process with stricter time limits for the involved agencies. This process must be more transparent and include reasonable deadlines.

SKILLED WORKFORCE, SAFER INFRASTRUCTURE

With skilled workers and responsible contractors, energy projects are safer for workers and communities. LIUNA strongly supports industry adoption of the highest construction standards and the use of responsible contractors who employ skilled workers. The use of nationally recognized union training programs to meet workforce needs ensures that projects are safer for workers and communities.

INVESTMENT IN RENEWABLE ENERGY

LIUNA supports the development of renewable energy sources and low-carbon emission energy. LIUNA members have built some of the nation's largest wind and solar utility projects and are leaders in the field of energy efficiency. Due to the intense planning, permitting, and development processes of solar projects, the recent extension of the Investment Tax Credit (ITC) and Production Tax Credit (PTC) will give wind and solar companies the ability to plan future construction over the next few years. Union density in wind and solar is still low, however LIUNA will continue to work with the wind and solar sector to ensure that our members build the solar farms and wind turbines that will be built across America.

TRANSPORTATION & WATER INFRASTRUCTURE

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LIUNA members stand ready to rebuild America. With bridges literally falling down and highways unable to handle today's traffic congestion, drinking water systems failing, dams and levees in crisis, and waste water systems that discharge sewage into our waterways, Congress must find a way to fund long-term investments in the nation's crumbling infrastructure. The United States' infrastructure needs are far outpacing investment—each year falling billions short of what's needed.

THE FACTS ARE CLEAR:

- 170,000 miles of roads are in poor condition.
- 66,000 bridges (25% of all US bridges) have been deemed structurally deficient by the US Department of Transportation.
- 4 billion hours in delays a year because of traffic congestion.
- There are 13,991 high-hazard dams nationwide in need of repair because they pose a significant risk to nearby life and property.
- Leaking pipes result in 7 billion gallons of wasted clean drinking water every day.
- In the past 50 years, water usage has increased by 207 percent while investment has fallen short of increased demand.
- An EPA estimate from 2004 found that 850 billion gallons of combined sewer overflows were discharged each year – and facilities have only continued to age and deteriorate since.
- It is estimated that there are approximately 240,000 water main breaks per year in the United States.

TRANSPORTATION INFRASTRUCTURE

Most federal surface transportation programs are funded through the Highway Trust Fund (HTF), which was established in 1956. It is financed by the 18.4 cents per gallon of gasoline and 24.4 cents per gallon of diesel, which has not been raised since 1993.

However, improvements in vehicle fuel efficiency and reduced driving coupled with inflationary cost increases have substantially decreased the purchasing power of gas tax revenue deposited in the HTF each year. While the passage of the 5 year Surface Transportation Act Reauthorization, The Funding America's Surface Transportation Act (FAST Act), was a monumental step forward, it addressed only a portion of what is needed to fix America's infrastructure, and it lacked the long-term sustainable revenue stream needed for investment in our transportation infrastructure networks.

Congress must continue to put aside partisanship and solve the growing funding crisis in transportation and adopt a long-term vision to build and maintain safe, reliable, and efficient transportation systems, while promoting our economic competitiveness.

LIUNA is open to any and all discussions on long-term financing for transportation infrastructure and believes that all funding options should be on the table, including; new bonding mechanisms, infrastructure banks, and public-private partnerships (PPPs). Public dollars should be leveraged by tapping the growing interest in public-private partnerships and other innovative financing arrangements. These proposals have the potential to not only drive critical projects forward but also improve the economy by supporting businesses and communities. However, it is important to note that these private investments are not a substitute for systemic public resources and must be accompanied by standards that protect the public from exploitive practices.

WATER INFRASTRUCTURE

Across the U.S. our water systems - from sewage overflows and water main breaks to deteriorating dams and levees - are failing because of chronic under-investment. Aging water infrastructure results in sewage overflows and the loss of safe drinking water, while our dams and levees deteriorate threatening lives and property.

CLEAN WATER STATE REVOLVING FUND (CWSRF) AND SAFE DRINKING WATER STATE REVOLVING FUND (DWSRF)

Water is an essential resource, yet every day much of it is at risk due to failing systems or aging, inefficient treatment facilities that cannot handle increased demand. It is estimated that more than one million miles of water mains are in place in the United States. The conditions of many of these pipes are unknown, as they are buried underground out of sight, and owned and operated by various local entities. Some pipes date back to the Civil War era and often are not examined until there is a problem or a water main break. These breaks are becoming more common

Infrastructure investments though the CWSRF and the DWSRF have stagnated, and without Congressional action the investment shortfall could reach $300 billion in 20 years.

Additional pressures on the nation's drinking water systems impact the cost of infrastructure investments. The financial impacts of meeting regulatory requirements are a continuing issue for many communities. In the case of drinking water systems, however, funding has remained the same, often requiring localities to put less toward routine maintenance.

LOCKS, DAMS AND LEVEES—REAUTHORIZATION OF THE WATER RESOURCES REFORM AND DEVELOPMENT ACT (WRDA)

Often un-recognized, the nation's interconnected system of rivers and inland waterways are a key components of the national economy. This network includes 12,000 miles of commercially navigable channels and over 200 lock chambers. Waterways are often the preferred method for moving bulk cargo such as grain and steel, as well as hazardous materials with more than 566 million tons of freight through the inland waterway system annually.

Unfortunately, many of the locks are too small for modern barges, and are susceptible to closures, forcing barges to stop more often to allow for scheduled and unscheduled maintenance. These delays have increased significantly since the 1990s, which costs industry and consumers hundreds of millions of dollars annually.

The state of our nation's dams is putting lives at risk as well as courting financial catastrophe in many communities. There are 13,991 high-hazard dams nationwide that pose a significant risk to nearby life and property. Rehabilitating the dams most in need of repair would require a $57 billion investment.

The problem is getting worse – since 2001, the number of high-hazard dams in need of repair has soared 479 percent. Yet our nation's investment in dams is nearly $7.5 billion short of what's needed to ensure they remain safe and productive over the next five years. LIUNA supports the reauthorization of the 2016 Water Resources Reform and Development Act (WRRDA) which would provide the necessary funding to address these critical infrastructure needs in addition to providing good jobs for our members.

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PIPELINES

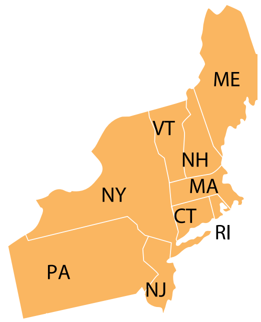
America needs a balanced and comprehensive energy policy that encompasses all sectors. This policy must include pipeline infrastructure. It has been proven time and time again; pipelines are the safest, most reliable, way to transport fuels. Furthermore, it is the most environmentally friendly way to transport these fuels. Pipeline construction has contributed a substantial amount of work for our members. Currently, LIUNA has 4,700 miles of pipeline committed worth roughly $37.2 billion.

HERE ARE JUST SOME OF THE PROPOSED PIPELINE PROJECTS THAT WILL CREATE THOUSANDS OF JOBS ACROSS THE COUNTRY:

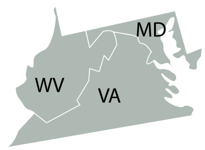
(Alphabetical order)

- **Access Northeast Pipeline:** A $3 billion natural gas pipeline that will add and replace existing pipeline in New England.
- **Atlantic Bridge Project:** Pipeline and compressor stations project that will provide additional capacity on the Algonquin and Maritime systems to move natural gas into New England and Canada.
- **Atlantic Coast Pipeline:** A 564 mile pipeline that will move natural gas from North Carolina to West Virginia.
- **Dakota Access Pipeline (DAPL):** A 1,168 mile pipeline that will move crude oil from the Bakken of North Dakota to Illinois.
- **ET Rover Pipeline:** A 800 mile pipeline that will transport natural gas from Canada to the Midwest, Northwest, and Gulf Coast for market.
- **Mariner East 2:** A 300 mile pipeline that will transport natural gas from Ohio and Western Pennsylvania for market.

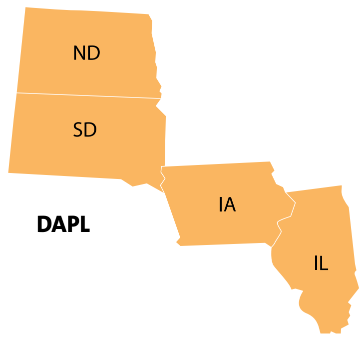
Access Northeast



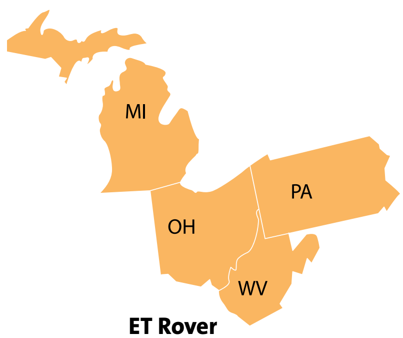
Atlantic Bridge



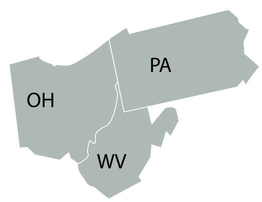
Atlantic Coast



DAPL



ET Rover

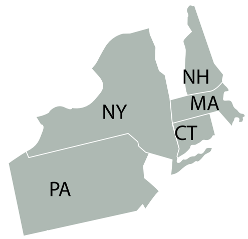


Mariner East 2

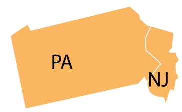
- **Mountaineer Xpress:** A 106 mile pipeline that will transport natural gas in West Virginia.
- **NEXUS Pipeline:** LIUNA will build a portion of the 250 mile pipeline that will transport natural gas from Michigan to Ohio for market.
- **Northeast Direct Pipeline:** A 344 mile pipeline that will transport natural gas to New England from Pennsylvania.
- **PennEast Pipeline:** A 114 mile pipeline that will transport natural gas to Pennsylvania and New Jersey.
- **Sabal Trail Project:** A 378 mile pipeline that will transport natural gas to from Alabama to Florida for market.
- **Sandpiper Pipeline:** A 616 mile pipeline that will carry crude oil from North Dakota to Wisconsin.

Mountaineer Xpress

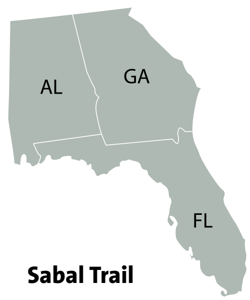
NEXUS



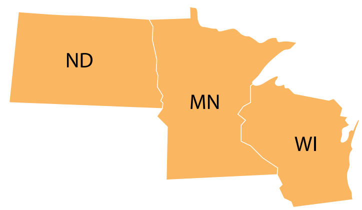
Northeast Direct



PennEast



Sabal Trail



Sandpiper

IMMIGRATION REFORM & H2B VISAS

LIUNA was founded more than a century ago by proud immigrants who were tired of the abuse and exploitation of unscrupulous employers. They banded together to improve their lives, their families' lives, and to make life better for all those who follow in their footsteps.

Our current immigration policy is failing both citizens and immigrants. We continue to fight for comprehensive immigration reform and will not stop until it gets done. It is not only the right thing to do, but it is the necessary thing to do.

LIUNA believes that comprehensive immigration reform must include an earned path to citizenship and that we have an obligation to secure our borders in a strong but humane way.

DAPA AND DACA REPEAL

In light of Congress' inability to act on comprehensive immigration reform, the President put forward an Executive Oder in November 2014 in order to provide some relief to 5 million workers and their families. The first involves the expansion of the program known as Deferred Action for Childhood Arrivals (DACA), which temporarily defers deportation for approximately 1.9 million eligible undocumented youth. The other main reform is the Deferred Action for Parents of Americans and Lawful Permanent Residents (DAPA) initiative. Twenty-six states have challenged DAPA in a case that will be heard by the Supreme Court in April 2016, claiming that the administration is overstepping its authority. Families across America are still awaiting to see what will come of the Executive Order demonstrating further that Congress' inability to take action on this critical issue is not an acceptable path.

H-2B WORKER VISA PROGRAM

LIUNA opposes guest worker programs in the construction industry. H-2B is a temporary work visa program that allows employers to hire guest workers to fill certain seasonal jobs. Construction is one of the top industries utilizing H-2B workers. For years, employers have taken advantage of the program to in-source jobs in areas where they claim there is a shortage of workers.

The program is heavily abused, and guest workers have little protection against exploitation. They are at the mercy of their employers, who may use threats of deportation to deny pay and safe working conditions. Companies found to be breaking the law are rarely penalized.

Proponents argue that the program fills positions that citizens are unwilling to do—jobs that are supposedly "too difficult" or "too dirty"—but this is just not true. In most cases, employers abuse the program in order to avoid paying US workers fair wages for the work done, and instead turn to exploitable workers.

During the FY16 Omnibus legislation, the H2B program was expanded and devastating changes were made to the program by Senator Mikulski (D-MD), including weakening of prevailing wages, returning worker exemption, and restrictions on oversight.

Prevailing wage: To determine how much to pay for a certain job, employers go by the prevailing wage. The prevailing wage is an hourly rate calculated based on the amount workers are paid in an area for a similar job.

In the past, employers have used private wage surveys to determine how much to pay workers. These surveys are demonstrably unreliable, and in the past have led to wages considerably lower than the state or national average. In 2015, the Department of Labor severely restricted employer discretion on determining the hourly rate. Mikulski's changes do away with these restrictions completely, allowing employers to use private wage surveys once again.

Returning worker exemption: Returning H-2B workers are exempt from the annual visa cap of 66,000. This will lead to a huge rise of guest workers in the country. The definition of "seasonal" is also expanded to ten months.

Restrictions on oversight: Employers are no longer required to offer employees full-time employment for a total number of hours equal to at least three-fourths of the work days in each 12-week period. The Department of Labor is also restricted from auditing H-2B applications, which have proven in the past to be rife with fraud.

EB-5 EXPANSION

The EB-5 visa program grants visas to foreign nationals who invest in domestic projects. LIUNA members have gained some work from projects built union in New York and other areas, however, many projects have been built non-union and with little oversight and protections. Poor government oversight has allowed foreign investors to obtain visas even if they do not actually directly create jobs. The program was set to expire in September 2016, but has been renewed for one year. LIUNA will continue to work with Congress to ensure proper protections and reforms are included in the program's future extension.

PENSION REFORM—PBGC TAX

A fundamental objective of LIUNA is the retirement income security of our members and their surviving spouses. Hundreds of thousands of LIUNA members and spouses depend on our network of multiemployer pension trust funds for a pension that pays a monthly retirement benefit for as long as they live. LIUNA is committed to preserving these pension funds for future, as well as current, pensioners so they can live with dignity after giving years of productive work. In addition to that organizational commitment, LIUNA takes action to educate and move Congress regarding issues affecting our members' pensions. Currently, there are two issues before Congress on which LIUNA is working.

LIUNA STRONGLY OPPOSES HIGHER PBGC PREMIUM RATES: A TAX ON PENSIONS

The Multiemployer Pension Reform Act of 2014 (MPRA) more than doubled the annual premium rate that every multiemployer defined benefit pension fund must pay to the Pension Benefit Guaranty Corporation (PBGC), an agency of the Federal Government. The rate increased from $12 per participant in 2014, to $26 per participant for 2015, and $27 per participant for 2016. These increases will cost pension funds sponsored by LIUNA and affiliated Local Unions many millions of dollars per year, year after year. That is a lot of money taken from laborers' wages, and money that should be used to shore up the funding of their own pension funds, not diverted to the PBGC.

These PBGC increases are a government tax on workers' pensions.

There are reports that the PBGC will soon ask Congress to enact much higher annual premium rates. Such rate increases would be destructive and intolerable. LIUNA strongly opposes any further increase in this pension tax.

The millions being diverted from pension funds to the PBGC are wasted. The agency is doomed. The PBGC recently reported that it has a budget deficit of $52.3 billion, and that it is likely to run out of money in less than 10 years. The PBGC cannot be saved by imposing higher taxes on the pensions of laborers and millions of other workers depending on multiemployer pension funds. Higher PBGC premiums would hurt pension funds and their participants, and not really help the PBGC.

LIUNA SUPPORTS MORE FLEXIBILITY IN PLAN DESIGN

Multiemployer pension funds depend for their existence on collectively bargained employer contributions and productive investments. After decades of strong growth in contribution and investment income, pension funds' finances were greatly harmed by the investment market crash of 2008 and the Great Recession, and they are still recovering. This harm has been aggravated by the decline in employers willing to join or continue contributing to the pension funds for various reasons, including potential withdrawal liability and tougher funding standards imposed by law.

To meet these challenges, pension fund trustees need more flexibility under law to re-design their pension plans and preserve the funds' ability to pay pensions that cannot be outlived by pensioners and spouses. A new plan design can improve a pension fund's ability to deal with the ups-and-downs of the investment markets, to attract and maintain contributing employers, and to maintain the support of active workers while protecting pensioners.

Changes in federal law are needed to make some plan designs available to pension fund trustees. One type of new plan design being proposed in Congress is the so-called "composite plan". This concept plan design was originally developed by the Retirement Security Commission convened by the National Coordinating Committee for Multiemployer Plans (NCCMP), in which LIUNA actively participated. LIUNA supports making the composite plan concept available to trustees.

But, the composite plan is not a one-size-fits-all solution. Each pension fund's circumstances are different, including the nature of the covered industry, competitive conditions for contributing employers, and the state of labor-management relations. Other flexible plan designs have to be available to pension fund trustees, and the law should make room for them too. Trustees should be given a full tool box and the time to re-design the pension funds to attract and maintain participation, to handle investment volatility, and continue to pay retirement-long pensions for generations to come.

ACA–CADILLAC TAX

LIUNA believes in access to affordable healthcare benefits for all working people. LIUNA members, retirees and their families have quality health benefits because we stood up generations ago to fight for those benefits. The Affordable Care Act (ACA) has helped millions of previously uninsured Americans obtain healthcare coverage, but harmful and unfair provisions like the so-called "Cadillac tax" are putting the benefits of millions of Americans, including the hard-earned benefits of LIUNA members, at risk.

WHAT IS THE SO-CALLED CADILLAC TAX?

The Affordable Care Act (ACA) includes a 40% benefits tax known as the "Cadillac Tax" on employer sponsored healthcare plans that exceed a certain benefit threshold. It was meant to raise revenue by reining in unreasonably generous health care benefits. However, this tax will impact millions of Americans with employer sponsored health coverage; wrongly targeting employers and health plans that have high costs due to the makeup of their workforce. In addition, every year an increasing number of health plans will be subject to the tax because it is indexed to the consumer price index, which is lower than health care inflation.

BENEFITS TAX IS A POISON PILL

For many LIUNA members, their employers, and their health and welfare funds, the 40% benefits tax will drive down the quality of healthcare benefits and increase deductibles and out of pocket costs.

- Nearly 82 percent of employers and most health funds expect their plans to be affected by the tax within the first five years of implementation.
- The consulting firm Aon Hewitt reported in 2015 that 33% of employers surveyed are increasing deductibles and other cost-sharing, to avoid triggering the tax when it goes into effect.
- A study by the City University of New York School of Public Health found that the tax will hit the middle class the hardest while sparing those with higher incomes.

STRONG BIPARTISAN SUPPORT OF FULL REPEAL

There is momentum in both the U.S. House and Senate to repeal the tax. In the U.S. House of Representatives, there are two bills that would fully repeal the tax. Representative Courtney (D-CT) introduced H.R. 2050 which has more than 180 cosponsors. The second bill, H.R. 879, was introduced by Representative Guinta (R-NH) and

ALLIANCE TO FIGHT THE 40

Stop the 40% tax on health benefits

LIUNA and the Alliance to Fight the 40—a coalition of public and private sector employers, unions, and health care companies – are working to repeal the 40 percent benefits tax.

now has more than 120 cosponsors. This means that more than a majority of the U.S. House of Representatives support full repeal of the 40% benefits tax.

In the Senate there are two bills, as well. Senator Brown (D-OH) introduced his bill (S.2075) with several Democratic cosponsors. There is also bipartisan legislation (S. 2045) to repeal the tax with Senators Heinrich (D-NM) and Heller (R-NV) spearheading the effort.

All of these bipartisan bills would grant full repeal and have been supported by LIUNA.

WHERE WE ARE NOW AND WHAT IS TO COME?

Originally, the Cadillac Tax was to take effect in 2018. However, a two year delay of the tax was included in last year's omnibus bill, pushing the date of implementation to 2020. And while a two year delay is a step in the right direction, it only provides a little more time before the 40% tax ultimately kicks in.

President Obama's FY17 Budget recognized some of the concerns and unfairness of the Cadillac Tax, but has failed to offer adequate solutions. In the end, the "Cadillac Tax" cannot be fixed. It just needs to be repealed.

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DAVIS-BACON PREVAILING WAGE

Enacted in 1931, the Davis-Bacon act applies to contracts and subcontracts with the United States and the District of Columbia for the construction, repair and/or alteration, including painting and decorating, of public buildings and public works. Subsequently, prevailing wage provisions have been incorporated into more than 60 federal statutes that create federally-assisted construction programs.

Prevailing wage laws take wage compensation rates out of the competitive bidding process on public projects. With uniform labor costs, contractors compete for public projects on skill, productivity, and management abilities—not on who can scrape together the cheapest workforce.

PROTECTS LOCAL COMMUNITIES

Davis-Bacon prevailing wage laws prevent low road contractors from undermining the wages and benefits of local families.

Quality construction depends on well-trained construction workers. Workers experienced in their crafts and in health and safety procedures are less likely to make mistakes and, hence, are more productive.

Construction work is undeniably dangerous — particularly when workers are inexperienced, unskilled, or under pressure to cut corners. Without Davis-Bacon, these hazards would be exacerbated. The U.S. Bureau of Labor Statistics has concluded that the existence of state prevailing wage regulations was associated with fewer injuries. At the national level, without this law, there could be an additional 76,000 new workplace injuries each year, including 30,000 more serious injuries resulting in missed days of work after accidents.

This means reduced earnings, a lower quality of life, and costly, long-term health care. Local communities benefit ultimately because Davis-Bacon produces better public construction competitively based on good management, good engineering, good design, and quality craftsmanship.

ATTACKS ON DAVIS-BACON

Some in Congress claim that this requirement means that contractors and subcontractors working on Federal projects are automatically obligated to pay union rates even though they are not party to a collective bargaining agreement. This claim is false.

There is no statutory mandate that prevailing wage must be based on wages negotiated by labor unions.

The procedures adopted by the Department of Labor (DOL) make it extremely difficult for union wage rates to be recognized as the "prevailing wage." According to the DOL, only about 25% of wage determinations are based on union collective bargaining agreements.

Members of Congress should protect public investments by standing strong against weakening Davis Bacon prevailing wage rules. Corporations do not pass the money they save from cuts in labor costs on to taxpayers.

Congress should ensure that federal prevailing wage laws are consistent among the programs that provide for federal assistance for construction by making sure that the law applies, when appropriate, to new federal construction programs.

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CONSTRUCTION CAREERS

The construction industry is a key driver of the U.S. economy, generating more than a half-trillion dollars in economic activity each year and putting more than 6 million men and women to work. While projects begin and end, the impact on our nation is permanent, both through the family-supporting careers the industry supports and the legacy of what we build.

CONSTRUCTION WORK BUILDS PERMANENT CAREERS

As part of the debate over building the critical energy infrastructure of America, some have denigrated the hard work of men and women in the construction industry by labeling their jobs "temporary." LIUNA members disagree. Construction work strengthens families and communities and provides lasting assets and a legacy for generations to come.

The men and women who make construction their career create a permanent legacy that has made America great—from landmarks such as the Hoover Dam, the Golden Gate Bridge and the Empire State Building, to other critical transportation and energy infrastructure that keeps our nation running.

What critics label as a "temporary" sector of our economy adds 5 to 9 percent annually to our nation's gross domestic product—that's more than a half-trillion dollars a year. Those dollars include paychecks that quickly circulate through communities, stimulating more job creation.

It's one reason President Obama and others consistently tout infrastructure projects—almost certainly consisting of "temporary" jobs—as the best way to grow our economy.

Either these critics are very poorly informed about the construction industry or they are being cynically deceitful to score political points.

THE CONSTRUCTION INDUSTRY IS A SUCCESS STORY OF HOW TO CREATE GOOD, FAMILY-SUPPORTING CAREERS

By providing a pool of ready and highly-trained crafts-workers, the union construction sector has made it possible to have a permanent career building America. When a project is complete, workers are able to move on to the next project through their union hiring hall.

These projects help build a skilled, productive workforce. LIUNA alone provides hundreds of hours of training to tens of thousands of workers annually through more than 70 fixed and mobile training centers.

The training that construction crafts workers receive and upgrade for each job allows them to move from project to project, supporting families, paying mortgages and building middle class lives.