

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

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April 17, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Charles E. Schumer
Minority Leader
U.S. Senate
Washington, D.C. 20510

Dear Speaker Pelosi, Leader McConnell, Leader McCarthy, and Leader Schumer:

On behalf of the 1.4 million Teamsters and their families, I thank you for legislation that has already been passed which addresses much of what is needed for American families to withstand the harm that the coronavirus pandemic has caused, but this crisis and its' impact grows every day, and so much more must be done. As you move forward with additional stimulus efforts, we urge you to place working families and their needs at the center of the federal government's response.

The Covid-19 pandemic has the potential to wreak havoc on multiemployer pension plans that are already in critical and declining status. Employee layoffs and furloughs will adversely affect contributions to these plans thereby putting them on an even faster path to insolvency and further jeopardizing the benefits that retirees, and active workers, have earned. Failure to address this situation could also accelerate the timeline regarding Pension Benefit Guarantee Corporation (PBGC) insolvency.

The House Majority's *Take Responsibility for Workers and Families Act* included the *Rehabilitation for Multiemployer Pensions Act* (H.R. 397). During the discussion of the CARES Act (H.R. 748), Senate Democrats also put forward a thoughtful proposal to address the crisis in multiemployer plans. This proposal

was supported by President Trump and created a special partition program at the PBGC, which would move liabilities from failing plans to the PBGC, ensuring that participants receive full benefits while providing plans with a path to long-term solvency. Critically, as part of that program the PBGC would be provided with enough annual funding by the U.S. Government to carry out its mission.

The next stimulus package must address the issue of critical and declining multiemployer pension plans and protect the earned pension benefits of retirees and workers. We urge to you to include the *Butch Lewis Act* (H.R. 397/S. 2254) in forthcoming coronavirus legislation or, if necessary, a similar solution on which key stakeholders can agree will protect retiree benefits, do no harm to healthy plans, and provide the financial stability that multiemployer plans need.

As hundreds of millions of people across the nation are being urged to stay home, the country still requires millions of workers to provide health care services and to maintain myriad other essential services. A significant number of these workers are Teamsters. Among them are health care workers, transportation workers, railway industry workers, delivery drivers, and those in the sanitation, grocery, warehouse, food processing, and correction industries.

While we appreciate and support recognizing the sacrifices of these workers with premium or hazardous duty pay, it cannot substitute for a safe workplace. Teamsters performing essential job duties need to be protected with comprehensive and enforceable safety standards. “Stimulus 4” must require the Occupational Safety and Health Administration (OSHA) to issue a temporary emergency standard and that standard should cover all workers, including public workers in states that have not opted into OSHA coverage, and transportation workers not already covered by another federal safety agency. Additional enforcement responsibilities require additional inspectors and health specialists from OSHA. OSHA should be provided sufficient additional resources for oversight, compliance activity and enforcement.

Congress and the Administration must also provide funds for appropriate personal protective equipment and make those materials widely available. A non-retaliation policy is also a necessary piece of comprehensive health and safety standards to ensure that workers can report non-compliance violations without fear of penalty. Finally, with schools closed across the country, while essential workers are on the job, they must have access to affordable, quality child care.

While we appreciate the expanded paid leave coverage provided for in *The Families First Coronavirus Response Act* (H.R. 6201), the limitation to only those employers

with less than 500 employees and exemption for certain small businesses is deeply problematic and overlooks a large swath of Teamster employers and members. Similarly, guidance issued by the Department of Labor (DOL) on the paid leave provisions of H.R. 6201 allows for an inappropriately broad application of optional employer exemptions for certain job titles and for small businesses. These exemptions must be eliminated in “Stimulus 4.” In addition, the 10 weeks of *family* leave provided by the *Families First Act* must be available for more family care than just that of a child.

Displaced workers need immediate, reliable and continued access to comprehensive health insurance. The federal government should provide emergency subsidies at 100% to cover COBRA health insurance payments of unemployed workers. While the CARES Act increased federal Medicaid funding by 6.2%, more federal funding is needed to ensure states can handle rising Medicaid caseloads without diverting resources from other critical services. For workers who have no current health coverage, the federal government should provide full coverage for the duration of the crisis in applicable federal health programs.

Over 200,000 Teamsters work in the public sector. The CARES Act provided considerable state and local aid, but governments need much more assistance. Congress must repeal the CARES Act rule that limits use of the \$150 billion Coronavirus Relief Fund to only an unbudgeted response to COVID. This restriction blocks states from addressing the substantial revenue losses governments are experiencing at a time when there is also a sharp increase in the demand for services. With many states closing schools for the remainder of the school year, more funding is also needed to address the added expense associated with distance learning.

Language included in the CARES Act was a good first step to ensure state and local government contractors and their workers would get paid during this crisis, but additional language is needed to ensure that states and localities honor their existing obligations. Congress should ensure that any government entity taking federal funds pay their private contractors, including busing and transit contractors. The next stimulus bill should clarify that no state or local law should prohibit a state from honoring existing contracting agreements, and allow for alternative financing mechanisms to allow contractors to continue getting paid and support their employees during these difficult times

Many Teamster employers have been hard hit by lack of consumer demand and mandated closures associated with social distancing guidelines. The CARES Act provides considerable economic relief for these businesses and some worker protections attached to these funds, but federal aid must *fully* protect labor rights and come with enforceable statutory guarantees. The worker protections that were included in the CARES Act must be retained and enforced in subsequent agency guidance and more protections must be included in the 4th stimulus bill. These protections must be applicable to *all* fund recipients, regardless of size, and ensure that the allocated money will go to the frontline workforce, including contract workers. Doing so will directly negate the need for layoffs and ensure continued access to critical benefits like guaranteed paid sick and family leave for thousands of workers.

All employers receiving federal relief funds must not be permitted to discharge collective bargaining agreements; must remain neutral in union organizing drives; and workers must be represented on the boards of any assisted companies. There is also added urgency to reform Chapter 9 and Chapter 11 of the Bankruptcy Code to keep governments and corporations from using bankruptcy as a strategy to tear up collectively bargained agreements, which often results in working people and retirees losing their health care and pensions. In addition, the CARES Act disqualifies non-profits, other than 501(c)(3)s, from receiving certain loans. All non-profits, regardless of their tax designation, should be afforded the same relief as 501(c)(3)s.

We applaud the robust expansion of unemployment insurance included in the Cares Act as well as voluntary forbearance options for some mortgages. However, to sustain individuals through this crisis, the federal government should go further and temporarily ban foreclosures, evictions, aggressive collection practices by debt collectors and student loan defaults. The next stimulus bill should also prevent negative reports to credit agencies or adverse credit scores for delinquencies caused by the crisis. In addition, railroad unemployment must be released from Pay-As-You-Go sequestration, which does not apply to any other unemployment programs and only serves to artificially and unfairly reduce railroad unemployment benefits

Investment in infrastructure should be part of any stimulus plan to get the economy back on its feet. State and local governments need funding certainty, and any infrastructure program should extend over a long period of time. Now is the time to ensure the long-term viability of the Highway Trust Fund, which will run out of money this year. Critically, any infrastructure package must maintain long-

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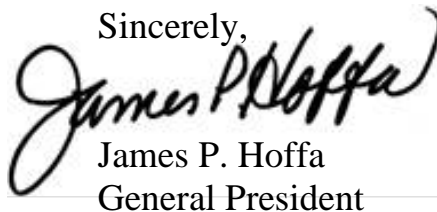
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standing federal policies that protect working people with high labor standards to ensure that infrastructure investments create good jobs.

The COVID-19 pandemic has exposed dramatic and cruel social and economic inequities in our country. The value of a union contract and the harm inflicted by intentional misclassification has never been more apparent. Just months ago, many in Congress fought against the need to increase the minimum wage for many of the essential workers who are now ensuring our nation's very survival. When we move to the recovery phase of this crisis, dramatic structural change is needed and a significant piece of that change must be expanding workers' ability to collectively bargain.

The Teamsters Union is ready to work with you now to support our essential workforces through this crisis. Looking forward, Teamster members will be a force for change. We will not let this crisis pass and return to business as usual. We will not let this country forget the workers who carried us through. Again, we thank you for the legislation that has already been passed which begins to address the harm that the coronavirus pandemic has caused, but so much more needs to be done.

Sincerely,

A handwritten signature in black ink, reading "James P. Hoffa", written in a cursive style. The signature is positioned above the printed name and title.

James P. Hoffa
General President