**TAUC Legislative & Regulatory Update - February 2018**

After a three-day government shutdown, the Administration and Congress continue to struggle to finalize a fiscal year 2018 budget agreement. Until that happens, short-term continuing resolutions will be necessary to keep the government operating while the search for a permanent solution goes on. Unfortunately, the process has been plagued by gamesmanship over government spending caps, immigration and other hot-button issues.

Here is an exclusive update from TAUC on policy and regulatory issues of vital interest to contractors and the union construction and maintenance industry.

**Multiemployer Pension Reform**

Congressman Phil Roe (R-TN) and Congressman Donald Norcross (D-NJ) plan to soon introduce the "Growing Retirement Options for Workers Plan" (GROW Plan). This legislation would modernize and strengthen multiemployer pension plans by providing local joint labor-management trustees a new voluntary - not mandatory - tool to ensure the long-term viability of their funds by authorizing more choices in retirement plan models. The legislation would provide these benefits at no cost to the federal government or pension plan participants.

As we reported last month, Congressional democrats have made retirement security and pension relief a priority in the FY 2018 budget negotiations, which could provide an opportunity for consideration of composite plans as part of a budget final deal. TAUC and other members of the Construction Employers of America have been aggressively pushing for consideration of this composite plan legislation.

**Infrastructure**

During his State of the Union address, President Trump called for Congress to pass an infrastructure package that would generate a total of $1.5 trillion in investment. While details of the plan have not been released, a summary of the proposal called to invest $200 billion in new federal money over 10 years, which the administration claims will generate a total of more than $1.5 trillion in total infrastructure investment after contributions from state and local governments and the private sector.

The outline calls for funding to be provided through three major programs:

* Infrastructure Incentives Initiative (50 percent) -- a discretionary grant program primarily designed to leverage nonfederal funding (state, local and private) and incentivize state and locals to increase sustainable revenue streams.
* Rural Infrastructure Program (25 percent) -- a pot of funds to be distributed to states via a formula for block grants to invest in all classes of infrastructure projects.
* Transformative Projects Program (10 percent) -- A new program providing funding for innovative, highly speculative projects that would not otherwise receive public or private sector capital.

The draft does not identify a source of revenue to pay for this new investment.

The proposal will also focus on streamlining reviews and federal permit reform, ensuring that environmental reviews and the permitting process do not take more than two years for all projects. There is interest from key congressional leaders in moving infrastructure legislation in 2018. Serious legislative action on infrastructure is expected to pick up once the Administration releases its principles.

**Cadillac Tax Delay**

As part of the most recent short-term government funding bill, congress included a delay until 2022 on the implementation of the excise tax on premium employer-sponsored health coverage plans. Since the passage of the Affordable Care Act, TAUC and our CEA and building trade union partners have been pushing for Congress to repeal this so-called "Cadillac Tax," which disadvantages employers who provide their employees access to high-quality health care plans.

**Trade Sanctions**

In what is anticipated to be the first in a series of steps to address unfair trade practices, President Trump imposed new tariffs on imported washing machines and solar panel imports. The decision was made after the U.S. International Trade Commission found that U.S. producers had been seriously injured by imports. The president authorized 30 percent tariffs on imports of certain solar cells and modules that are gradually reduced to 15 percent over a period of four years. He also authorized tariffs on imports of large residential washers and parts that range from 50 percent to 20 percent and are reduced incrementally over a three-year period.

The Trump administration is expected to announce a series of trade decisions over the next few months, including a decision on curbs on steel and aluminum imports. The Department of Commerce is currently undertaking an investigation into whether foreign-made steel poses a threat to national security. It has been reported that Commerce Secretary Ross has recommended to the President a wide range of options to deal with aluminum and steel dumping in the U.S., including potentially higher tariffs.

The Administration also remains in discussions with Mexico and Canada over renegotiating the North American Free Trade Agreement.

02/07/2018