

Gray & Oscar LLC

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RE: CONGRESSIONAL UPDATE

This Week in Congress: Efforts to avoid another government shutdown came to a halt last weekend after disagreements regarding various border protection factors, including interior enforcement within the U.S., detention beds, and paying for a border barrier. However, late Monday evening, an agreement "in principle" resurrected on the final FY19 appropriations bills, including Homeland Security bill. The omnibus package would include \$1.375 billion for physical barriers on the southern border, relatively the same as the FY18 level. Also, it would give Immigrations and Customs Enforcement funding to house an average daily detainee population of 40,520; that's 5,000 more than Democrats wanted, but less than the 52,000 President Trump requested. Ultimately, Democrats agreed to drop a proposed cap on the number of detainees ICE could capture inside the U.S. For the remainder of the week, the House and Senate was under tremendous pressure to pass the omnibus bill before government funding runs out at midnight on Friday, February 15, potentially requiring a short Continuing Resolution (CR) to file the paperwork. Finally, President Trump continues to press his option to declare a national emergency to fund the wall.

Meanwhile, the Senate considered the nomination of William Barr as Attorney General. Senate Majority Leader Mitch McConnell filed for cloture on the nomination, signaling a vote could happen next week. This past week, the Senate Judiciary Committee advanced Barr's nomination along party lines, 12-10. After the Senate dispenses with Barr's nomination, they are expected to turn to Andrew Wheeler's nomination to serve as Administrator of the Environmental Protection Agency (EPA). The Senate Environment and Public Works Committee reported Wheeler's nomination last week along party lines.

REP. DINGELL: Funeral Services were held on Tuesday for Rep. Dingell in Dearborn, Michigan. Speakers included former Vice President Biden and Reps. Lewis (D-GA) and Upton (R-MI). Later today, a motorcade carrying Dingell's casket will be driven past the U.S. Capitol for a public viewing. Another service will be held in Washington, D.C. next Monday, with speakers including former President Clinton, House Majority Leader Hoyer (D-MD), and former House Speaker John Boehner (R-OH).

WOMEN IN CONSTRUCTION: As reported in the Wall Street Journal on February 12th, only 3% of nationwide construction jobs are filled by women, but Nontraditional Employment for Women, or NEW, is looking to change that by helping roughly 225 New York City women enter union construction apprenticeships each year. The seven-week, tuition-free program trains women for in-demand careers in carpentry, electrical work, and health and safety.

GREEN NEW DEAL: Last week, Congressional Democrats unveiled their New Green Deal and outlined below are some of its key points. This will be a major issue over the next two years, which could impact your work and the construction industry. The resolution in Congress from Ocasio-Cortez and Sen. Edward J. Markey (D-Mass.) calls for a "10-year national mobilization" that would include:

- Guaranteeing a job with a family-sustaining wage, adequate family and medical leave, paid vacations, and retirement security to all people of the United States.
- Providing all people of the United States with — (i) high-quality health care; (ii) affordable, safe, and adequate housing; (iii) economic security; and (iv) access to clean water, clean air, healthy and affordable food, and nature.
- Providing resources, training, and high-quality education, including higher education, to all people of the United States.

- Meeting 100 percent of the power demand in the United States through clean, renewable, and zero-emission energy sources.
- Repairing and upgrading the infrastructure in the United States, including . . . by eliminating pollution and greenhouse gas emissions as much as technologically feasible.
- Building or upgrading to energy-efficient, distributed, and ‘smart’ power grids, and working to ensure affordable access to electricity.
- Upgrading all existing buildings in the United States and building new buildings to achieve maximal energy efficiency, water efficiency, safety, affordability, comfort, and durability, including through electrification.
- Overhauling transportation systems in the United States to eliminate pollution and greenhouse gas emissions from the transportation sector as much as is technologically feasible, including through investment in — (i) zero-emission vehicle infrastructure and manufacturing; (ii) clean, affordable, and accessible public transportation; and (iii) high-speed rail.
- Spurring massive growth in clean manufacturing in the United States and removing pollution and greenhouse gas emissions from manufacturing and industry as much as is technologically feasible.
- Working collaboratively with farmers and ranchers in the United States to eliminate pollution and greenhouse gas emissions from the agricultural sector as much as is technologically feasible.

On Tuesday, February 12th, Senate Majority Leader McConnell (R-KY) said that the Senate will vote on the Green New Deal and candidly, the deal will have a tough time passing in the Senate, where it will need 60 votes, but it will force Senate Democrats, including a slew of 2020 presidential candidates, to vote on the proposal.

MEP REFORM (RMPA): The House Ways and Means Chairman Neal (D-MA) introduces Rehabilitation for Multiemployer Pensions Act (RMPA), which proposes to address multiemployer Define Benefit (DB) risk using two strategies single-employer plans have increasingly implemented over the past decade:

- Purchasing annuities to transfer risk permanently to an insurance company
- Hedging interest rate risk using liability driven investing (LDI) strategies featuring high quality, duration matched bonds

RMPA would establish a new Treasury agency called the “Pension Rehabilitation Administration” (PRA) to solve the funding part of the equation and PRA’s mission would be to issue loans to multiemployer plans in “critical and declining status” or insolvency. Funding would come from the “Pension Rehabilitation Trust Fund”, which would be populated by Treasury bond transfers by the Secretary of Treasury. Per Rep. Neal that the assistance, “is not a bailout. These plans would be required by law to pay back the loans they receive from the PRA – the federal government is simply backstopping the risk.”