

## Grievances and Arbitrations<sup>1</sup>

### Chicago Regional Council of Carpenters Arbitrations

MARBA received one arbitration demand over an employer's alleged failure to provide the Union with information regarding jobsite pursuant to Article 20.9.

### Laborers Joint Grievance Committee

The Laborers Joint Grievance Committee did not meet in December. The next regularly scheduled meeting is set for January 26, 2021, at the Laborers Burr Ridge office beginning at 9:00 a.m.

### Operating Engineers Joint Grievance Committee

The Operating Engineers Joint Grievance Committee did not meet in December. The next regularly scheduled meeting is scheduled for January 13, 2021, to be held at the Union's office at 8:30 a.m. There are eight (8) grievances to be heard.

### Teamsters Joint Grievance Committee

The Teamsters Joint Grievance Committee did not meet in December. The next regularly scheduled hearing date is January 28, 2021, provided there would be any grievances that needed to be heard. The location would be TBD.

## Collective Bargaining/Labor Issues

### 2021 Bargaining Rights Packets Sent to MARBA Associations

MARBA has sent 2021 Bargaining Rights packets to the MARBA Member associations. MARBA will be negotiating with Local 701 Auto Mechanics, Local 11 (Areas 161, 362, and 638) and Local 502 Cement Masons, Laborers District Council, and Local 150 Operating Engineers. The packets contain forms with specific instructions as to how to handle assignment of bargaining rights and deadlines that employers will need to adhere to. If you have any questions about the information contained in the packets, please contact your association or the MARBA office.

## Industry News

### President Elect Biden Nominates Pete Buttigieg as Secretary of Transportation; Labor Secretary Awaits

President Elect Biden recently indicated he would nominate former presidential candidate, Pete Buttigieg, to be Secretary of Transportation. The position, which needs confirmation by the Senate, is expected to play a large role in the Biden Administration. Buttigieg, formerly the Mayor of South Bend, Indiana, released a \$1 Trillion dollar infrastructure plan while campaigning for the presidency. While Mayor, his administration oversaw a program that redeveloped the South Bend sewer system, upgrading it to a "smart" system, and a redevelopment of the street system, areas he highlighted while on the campaign trail. The Transportation Department is not a department that is considered high profile but with President-Elect Biden's outline to highlight infrastructure the spotlight will be on Mr. Buttigieg to deliver. The Secretary of

Labor remains one of the few cabinet positions President Elect Biden has not filled. Many industry insiders seem to think Boston Mayor, Marty Walsh will be nominated to the position. Before he became Boston's mayor, Mr. Walsh was president of the Boston Building Trades. Others being considered for the Labor Secretary position include California's Labor Secretary Julie Su and Open Society Foundation President, Patrick Gaspard.

### **Construction Adds 27,000 Jobs in November**

Although the construction industry saw an increase of 27,000 jobs in November the industry was still down about 179,000 (or 2.4%) from the previous November (2019). Overall residential specialty contractors saw the largest increase in job gains in the month of November with an increase of 14,100. The one area that saw a decline in the number of jobs was non-residential specialty contractors which lost 1,300 jobs. The architectural and engineering sector also saw a decrease in the number of jobs with a decrease of 1,800 jobs from October's mark. Overall, the architectural and engineering sector, which is in a different classification than construction, saw a 1.5% decrease from November 2019 (23,200 jobs).

## **State of the Economy**

### **Economic Indicators**

Unemployment Rate	November 2020 U.S. 6.7%, Illinois 6.9%(37 <sup>th</sup> )
Labor Participation Rate	November 2020 = 61.5%, October 2020 = 61.74%
CPI (All Urban Consumers)	November 2020 versus November 2019 = 1.17% Half 2020 = 1.24%
CPI Chicago All Items	November 2020 versus November 2019 = 0.80% Half 2020 = 1.23%
CPI Midwest All Items	November 2020 versus November 2019 = 1.03% Half 2020 = 0.86%
Union Membership	2019 = 10.3% (Private Sector 6.2%), 2018 = 10.5%
Rate of Unionized Construction Workers	13.6% (2019), 13.8% (2018), 14.0% (2017)
30 Year Fixed Mortgage	November 2.77% down 0.06% from October 2.83% Annual Average 2019 = 3.94%, 2018 = 4.54%
15 Year Fixed Mortgage	November 2.31% down 0.04% from October 2.35% Annual Average 2019 = 3.39%, 2018= 4.00%
WTI Crude Oil Price	\$ 48.20 per barrel (as of December 28, 2020 at 12 pm) \$110.62 per barrel all time high Year Close 2013 \$ -40.32 per barrel (May 2020) all time low March 2020

Privately Owned New Housing Building Permits	6.2% above the revised October rate (+/-1.5%) 8.5% above the November 2019 rate (+/- 1.8%)
Privately Owned New Housing Starts	1.2% above the revised October rate (+/-8.6%)* 12.8% above the November 2019 rate (+/- 11.3%)
Housing Completions	12.1% below the revised October rate (+/-5.6%)* 4.8% below the October 2019 rate (+/- 10.6%)
DJIA	30,408.48 as of December 28, 2020 (12 p.m.) 29,571.29 as of November 20, 2020 (12 p.m.)

**Janik's J.D. – An Update on Labor/Construction Legal Issues**  
**Aaron Janik – Executive Director MARBA**

**PBGC Insolvency Pushed Back From 2025 to 2026**

The Pension Benefit Guaranty Corporation (“PBGC”) issued its annual report on December 10, 2020. In that report it showed a fiscal year 2020 deficit of \$63.7 billion dollars which was down from the previous year of \$65.2 billion dollars. The resulting decrease in the overall deficit was due to legislation which provided federal money to the United Workers of America 1974 Pension Plan (see *Bipartisan American Miners Act of 2019*).

The resulting decrease in the PBGCs multiemployer plan deficit pushed back the date of its projected insolvency from 2025 to 2026. Although the report indicated the fund is “near certain” to be insolvent by 2027. PBGC Director Gordon Hartogensis stated in a memorandum accompanying the report that, “it remains clear that legislative reform is necessary to avert insolvency of the multiemployer program, and PBGC continues to provide technical support to policymakers, stakeholders and plan sponsors.”

Legislation was being discussed prior to the “second stimulus” bill being agreed upon which would have made some of the necessary changes to the multiemployer system. However, the Democrats and Republicans could not agree on changes which would have been included in the funding bill that President Trump signed earlier this month. Senator Chuck Grassley (R-IA) Chair of the Finance Committee and Senator Lamar Alexander (R-TN) Chair of the HELP (Heath, Education, Labor, Pensions) Committee have committed to addressing this issue in the next legislative session.

Approximately a year and a half ago the House of Representatives voted on the Multiemployer Pensions Act (aka the Butch Lewis Act) which would have addressed the underfunded multiemployer pension situation. Several Republican representatives, 29 to be exact, voted in favor of that legislation along with all Democrats showing there is some level of bipartisanship towards solving this problem. The most recent PBGC report can be found by clicking [here](#).

Upcoming Seminars/Events	Calendar
<p><b><u>Smith Amundsen Construction Seminar (Virtual Event)</u></b></p> <p>When: Thursday, January 21, 2021 8:30 a.m. to 11:30 a.m.</p> <p>Where: Online event</p> <p>Who: Presenters include Smith Amundsen Labor and Employment attorneys.</p> <p>Info: To register for this event <a href="#">click here</a>.</p>	<p>January 12 11:00 a.m. MIAF Meeting (Zoom)</p> <p>January 12 12:00 p.m. MARBA Board Meeting</p> <p>January 13 8:30 a.m. Operating Engineers JGC (Countryside)</p> <p>January 26 9:00 a.m. Laborers JGC (Burr Ridge)</p> <p>January 28 9:00 a.m. Teamsters JGC (TBD)</p>
<p><b>Did You Know:</b> The 2021 Rose Bowl will be played in Arlington, Texas this year due to COVID-19. This is the second time the game will be played outside of Pasadena. The first time was in 1942 when the game was moved due to fears of an attack by the Japanese.</p>	

<sup>i</sup> Information for MARBA Matters was obtained from the following sources: BNA Construction Labor Reports, Crain’s Chicago Business, Northwest Times of Indiana, Chicago Tribune, and Sun-Times, CDQ, and the BLS, as well as various websites and other publications.

\*The 90 percent confidence interval includes zero. In such cases, there is insufficient statistical evidence to conclude that the actual change is different from zero.

