

AFL-CIO

LEGISLATIVE ALERT

February 25, 2021

Dear Representative:

On behalf of the AFL-CIO, I am writing to urge you to support the American Rescue Plan (H.R. 1319), which the House will consider tomorrow. This emergency measure will provide \$1.9 trillion to help us beat the pandemic and provide critical economic support to millions of American families. Millions remain out of work, families are in danger of losing their homes and communities across the country still lack the personal protective equipment (PPE), testing and vaccine distribution networks they need to stay safe. Congress must pass this bill without delay.

The American Rescue Plan includes \$350 billion in unrestricted aid to states, counties, local governments, tribes and territories. Since the start of the pandemic, over 1.4 million public service workers have been laid off due to budget shortfalls, including firefighters, police officers, EMTs and other front line workers. These layoffs are occurring at the same time that demands on public health, social services, and education have been surging. Emergency aid to state and local governments is necessary to stabilize the economy and get the spread of the virus under control.

The need for extended unemployment benefits and the \$400 supplement cannot be overstated. The average duration of unemployment and the share of unemployed workers who have been unemployed for 26 weeks or more continue to climb. Since July, the number of long-term unemployed has exploded from 1.48 million to 4.02 million, and the average duration of unemployment has gone from 21.0 weeks in September to 26.0 weeks today. At the current rate of job loss, we will still have a substantial share of unemployed workers who will be out of work for over 26 weeks well into December of this year, if not into February of next year. Economic impact payments are another lifeline for hard hit workers, and all taxpaying families should be eligible for this relief regardless of their immigration status.

The American Rescue Plan extends through August 29 vital pandemic-related unemployment programs that would otherwise have expired on March 14. These programs expanded eligibility for workers who are self-employed, independent contractors, or those who would otherwise not qualify for regular benefits. The Plan also increases the amount of pandemic unemployment benefits, provides full federal funding to states for work-sharing programs, and provides interest free federal loans to bolster state unemployment trust funds. Funding is also provided for the Department of Labor to help states and territories verify identities, accelerate claim processing, and detect fraud.

The bill also includes necessary COBRA subsidies for employment-based health coverage, which will allow 2.2 million working people to maintain access to their current in-network doctors and hospitals, as well as their connection to full-time jobs. We support this coverage and hope that the Senate will increase the subsidy level from 85 percent to 100 percent of premium costs. A January 2021 analysis suggests that 7 million people have lost job-based coverage during the pandemic and another 7 million are continuing coverage post-layoff. Additional millions remain vulnerable to loss of coverage with the rising unemployment rate. It is important that these subsidies be increased to help the numerous additional working families who cannot afford even 15 percent of premium costs when a breadwinner is unemployed.

We also support eliminating the cap on Medicaid drug price rebates to more fully insulate federal and state budgets from price increases that exceed the rate of inflation. Removing the cap results in \$16 billion in federal savings that will help offset the costs of the COBRA policy and other important coverage gains.

The single- and multiemployer pension provisions in the bill are long overdue and critically important for the millions of retirees who have been living in fear that their modest retirement benefits, earned after a lifetime of hard work, will be gutted because their plans are heading towards insolvency. This legislation will protect them from drastic benefit cuts, stabilize plans for active workers and protect the Pension Benefit Guaranty Corporation (PBGC) as the insurance backstop for multiemployer pensions. Because of how multiemployer plans are funded, the pandemic has only deepened and hastened the need for federal assistance, putting even financially healthy plans at risk, jeopardizing the retirement security of over 2.5 million workers, retirees and beneficiaries.

We also strongly support the inclusion of an increase in the minimum wage to \$15 by 2025. Raising wages has never been more important or timely than during this pandemic. The frontline workers whom we celebrate everyday as essential to keeping our economy moving are the most likely to benefit from this long overdue raise. Lifting the minimum wage would benefit 32 million workers, including millions of home health aids, grocery store workers and substitute teachers--the very workers we have been calling heroes since the start of the pandemic. There is no community in America where giving the working poor a raise to pull them out of poverty would not be politically popular or a much needed boost for the local economy.

This COVID relief package also includes \$15 billion to extend the airline worker Payroll Support Program, \$3 billion to support aviation manufacturing, \$30 billion for public transit, and \$1.5 billion for Amtrak, along with the strong worker protections tied to the use of these emergency funds. Though this funding will not fully meet the needs of our entire transportation sector, it is a critical step forward to prevent both interruptions in transportation services across the country and the furloughs or layoffs of millions of transportation workers.

Once again, we urge you to vote for H.R. 1319 to help Americans get back on their feet and to begin to rebuild our economy after suffering through a once-in-a-century pandemic. The American Rescue Plan is the right response at the right time, and we urge you to pass it without delay.

Sincerely,



William Samuel
Director, Government Affairs

American Federation of Labor and Congress of Industrial Organizations

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