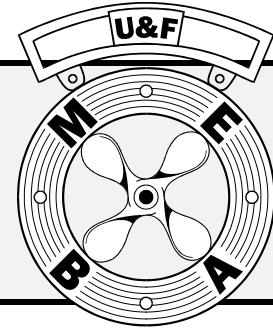


# LEGISLATIVE UPDATE

*FEBRUARY 2009*



## **Obama Rolls Back Anti-Worker Statutes**

President Barack Obama reversed three anti-worker executive orders last week and created a Cabinet-level task force to rebuild the nation's middle class. The orders reversed a series of directives by George W. Bush which govern the way federal contractors deal with unionized workers.

The first order requires federal service contractors to offer jobs to current workers when contracts change; The second reverses a Bush order requiring federal contractors to post notice that workers can limit financial support of unions serving as their exclusive bargaining representatives. The third prevents federal contractors from being reimbursed for expenses meant to influence workers deciding whether to form a union and engage in collective bargaining.

Before signing the orders, Obama said, "We cannot have a strong middle class without strong labor unions. We need to level the playing field for workers and the unions that represent their interests."

Pres. Obama also announced the creation of the White House Task Force on Middle Class Working Families to develop and coordinate policies to rebuild the nation's middle class and lift the poor out of poverty. Vice President Joe Biden will chair the task force.

## **Merchant Marine Veterans Bill Reintroduced**

The Merchant Marine Veterans bill made much more headway than predicted in the last Congress. But because the session expired without final action on the measure in the Senate, the work must start over in the new legislative session. Congressman Bob Filner (D-CA) has gotten the ball rolling once again reintroducing the "Belated Thank You to the Merchant Mariners of World War II Act." The legislation will again be tagged as H.R. 23.

The bill would provide a monthly cash benefit to qualified World War II veteran merchant mariners. In the last session of Congress, the bill passed the House but a companion bill in the Senate died in Committee. Rep. Filner will again serve as Chairman of the House Veterans' Affairs Committee where H.R. 23 will be referred. The bill has a good chance of replicating its success in the House. The measure has not yet been reintroduced in the Senate.

## **Looming Battle on Employee Free Choice Act**

The delay placed on the nomination of Hilda Solis by some Republican Senators because of her support for unions and labor friendly legislation foreshadows the looming battle that will likely be waged on the Employee Free Choice Act. Like President Barack Obama, the Labor nominee is a proud co-sponsor of the Act which would establish a system to enable employees to form, join, or assist labor organizations and to provide for mandatory injunctions for unfair labor practices during organizing drives. According to the AFL-CIO more than half of U.S. workers – 60 million – say they would join

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a union right now if they could. However, the Federation says that last year alone more than 31,000 workers had their union rights violated by their employer.

The Solis nomination has unnerved some business interests which are wary of her pro-labor stance and support for the EFCA. The pro-business lobbying group Coalition for a Democratic Workplace said that “her strong ties to organized labor suggest old-school style politics will be alive and well in Washington. Unfortunately, this time it will be at the expense of worker rights.” The U.S. Chamber of Commerce has called the nominee’s pro-labor voting record “disconcerting.”

EFCA would allow the formation of a local labor union branch by simply having a majority of employees sign cards. Opponents say the bill would cause undue peer pressure to sign a card in favor of a labor union. They claim that it would allow unions to coerce workers into joining and would negatively impact the economy and job growth. They have also claimed that the Employee Free Choice Act would replace the secret ballot. However, secret ballots would not be scrapped under the Act. In fact, EFCA would mandate a secret ballot election with a request by a mere 30 percent of the employees.

But organized labor proponents of the Employee Free Choice Act argue that in many cases nowadays, secret ballots for labor unions no longer offer freedom of choice. Groups such as the AFL-CIO and politicians who support organized labor's quest for the EFCA, including President Barack Obama, often point to research conducted under a team headed by Cornell University's Kate Bronfenbrenner that studied hundreds of labor union organizing campaigns. According to the Cornell University research:

- Employees were illegally fired in 25 percent of labor union campaigns.
- An active labor union supporter had a 20 percent chance of losing their job.
- Some 92 percent of employers called closed-door meetings to explain why they believed that workers should vote against joining a labor union, and 78 percent of employers called in workers for one-on-one chats.
- Executives at half of the companies studied told workers that there was a risk of the plant or the facility shutting down if a labor union was formed.

Bill supporters say that the Act is needed to level out the current broken system that allows intimidation of workers who try to form unions. They also say that the Act will help serve as part of an economic stimulus package aiding workers.

The EFCA passed the House in the last session of Congress but fell short of the votes needed in the Senate to move the legislation toward final passage. It is expected that the bill will be reintroduced soon but Congress is currently focused on the stimulus bill. But Democratic lawmakers could wait until the Senate race in Minnesota is finalized before moving forward since current frontrunner, Democrat Al Franken, would likely vote for the bill and proponents need every vote they can muster. Pres. Obama is on record saying, “We need to strengthen our unions by letting them do what they do best—organize our workers. If a majority of workers want a union, they should get a union. And that is why I’ll fight for and why I intend to sign the Employee Free Choice Act when it lands on my desk in the White House.”

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### **Inouye Bill Would Repeal Tonnage Tax Limitation That Hinders Some Domestic Operators**

Senator Daniel Inouye (D-HI) is making another attempt to eliminate the “30-day limitation” provision in the Tonnage Tax law that provides a burden on domestic operators who also operate internationally. The three-year old tonnage tax was created to help level the playing field for U.S.-flagships competing in international trade. It taxes the tonnage of a vessel rather than international income. However, a provision in the law states that a U.S. ship cannot use the tonnage tax on international income if that vessel also operates in U.S. domestic commerce for more than 30 days per year.

Sen. Inouye said that this 30-day limitation dramatically limits the availability of the tonnage tax for those U.S. ships that operate in both domestic and international trade and, accordingly, severely hinders their competitiveness in foreign commerce. Ships operating in U.S. domestic trade already have significant cost disadvantages. He noted that the inability of these operators to use the tonnage tax for their international service is a further, unnecessary burden on their competitive position in foreign commerce. Congress previously repealed the 30-day limit on domestic trading for about 50 ships operating on the Great Lakes that also carry cargo to Canada. Sen. Inouye’s bill, S. 58, would institute a complete repeal of the tonnage tax’s 30-day limit on domestic operations. The bill was referred to the Committee on Finance.