



Labor Letter

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News From the AFL-CIO

AFL-CIO June 17 welcomed Obama Administration's effort to reform "our financial system and rebuild our economy." "Working families have for too long paid the price for Wall Street's excess in the form of billions of dollars in bailouts, millions of lost jobs and foreclosed homes, and trillions of dollars of retirement savings destroyed," said Federation President John Sweeney. Sweeney also noted AFL-CIO's participation in Americans for Financial Reform, a national coalition of over 200 state and local organizations dedicated to financial reform. He said any reform should focus on four core objectives: (1) bring transparency and expanded SEC oversight to the "shadow banking system;" (2) protect communities by stemming the foreclosure crisis; (3) create a system-wide regulator accountable to the public interest; (4) build a "strong commitment" to consumer protection, including "an agency dedicated to ensuring that financial products are safe and fair."

"Nothing is more important to the well being of families and nothing is more important to the long term economic health of our country," said AFL-CIO President John Sweeney on the draft of the Americans Health Choices Act, first serious effort by Congress to reform America's health care system since passage of Medicare nearly 50 years ago. "The Americans Health Choices Act will give Americans the freedom to choose to maintain their current insurance or pick a public health care option that will increase competition in the market and lower costs," he said. Sweeney said the time is "critical" to pass comprehensive health care reform, noting that "for too long" Americans have worried about how to pay for health care. "Tough economic times have made the problems worse," he warned. He pledged labor's support to work with Congress "in a bipartisan manner" to pass comprehensive health care reform.

AFL-CIO applauded nomination of Judge Sonia Sotomayor to the United States Supreme Court. Federation head Sweeney described Sotomayor as "a brilliant jurist" who "would bring more federal judicial experience to the Supreme Court than any justice in 100 years." Sweeney said her background will bring to the Supreme Court "a direct and personal understanding of the struggles America's workers endure every day." He also said her judicial record reflects "an understanding of the law's impact on working families and has consistently interpreted our labor laws in the manner in which they were intended." He noted her actions in the baseball strike of 1995 where "she recognized that the owners had forced the strike by engaging in unlawful conduct, and issued an injunction which reversed the unlawful acts." She has also "recognized that persecution for union activity can be a basis for granting asylum in this country."

AFL-CIO Building and Construction Trades Department held its annual legislative conference in May in Washington, D.C. and heard from AFL-CIO head John Sweeney in his last speech to them as president. Sweeney has previously announced that he will retire at the AFL-CIO convention in September. Sweeney told building trades activists that the nation's new political leadership means that "we are no longer on the outside looking in" and offers opportunities to "build a bigger union movement as we help build a better

To register for the expanded on-line edition of the *AIL Labor Letter/Agenda*, go to ailnews.com.

country.” He cited four issues that still pose challenges for labor: effect of economic downturn on worker income, lack of affordable health care, wage gap between corporate executives and their employees, and opposition to the Employee Free Choice Act. “I am optimistic that our labor movement, now tragically divided, yet in so many ways, one movement, will continue to overcome the boundaries that divide us,” he said. Sweeney said he looked forward to serving working families in his new role “as a union warrior at-large.”

America’s 14.5 million unemployed workers find little comfort that May’s job loss was about half the average for the past six months, and below economists’ projections, said AFL-CIO in response to recent jobless numbers report. U.S. economy lost 345,000 jobs in May, AFL-CIO noted, which brings total job loss in the recession to over six million. Nation’s unemployment rate jumped to 9.4 percent. Labor urged Congress and the Obama Administration to remain focused on stimulus efforts to end the recession, warning that jobs will continue to disappear and ranks of unemployed will grow. “We must pay particular attention to the issues of underemployment, long-term unemployment and wage growth,” AFL-CIO said. AFL-CIO and Working America have created nation’s largest online resource for unemployed workers at www.unemploymentlifeline.com.

AFL-CIO Transportation Trades Department urged speedy Senate confirmation of Harry Hoglander to another term as a member of the National Mediation Board (NMB) and Deborah Hersman to serve as Chair of the National Transportation Safety Board (NTSB). TTD President Edward Wytkind said Hoglander “has served with distinction by fostering productive collective bargaining and insisting that the rights of railroad and airline workers are protected.” He expressed hope that the “NMB can now move forward to restore fairness to workers who lost confidence in the agency during eight years of the Bush NMB.” Wytkind said Hersman has been “a strong advocate for key safety reforms, including combating worker fatigue and raising awareness about dangers posed by inadequately regulating transportation companies.” “...workers and the public are best served by an aggressive NTSB with an unwavering commitment to safety,” Wytkind said.

International Labor News

International Trade Union Confederation reported more than 200 trade unionists worldwide were killed, assaulted or threatened in 2008 for trying to defend workers rights. According to the ITUC, 76 activists were killed, mostly in Latin America: 49 in Colombia, nine in Guatemala, four in Venezuela, three in Honduras and one in Panama. Annual death toll of trade union activists has declined from 91 in 2007 and 144 in 2006, said the ITUC, but report found many governments violate workers rights and in several cases “were themselves responsible for heavy repression of these rights.” “...the number of killings in Colombia, which is notorious as the most dangerous place on earth for trade unionists, reached 49, an increase of 10 over the previous year. The upsurge in killings took place despite assurances by the Administration of Colombian President Alvaro Uribe that the situation was improving,” said the ITUC.

With an economy shrinking at the fastest pace in at least 15 years, Europe lost record 1.22 million jobs in the first quarter, according to the European Union statistics office. Payrolls fell 0.8 percent in the 16-member euro region from the fourth quarter, when they declined 0.4 percent, as companies cut spending to survive worst global economic slump in more than 16 years. First-quarter drop was the biggest decline since payroll data collection started in 1995. “Companies will continue to cut jobs well into 2010, pushing up unemployment across the region,” predicted Stefan Bielmeier, an economist at Deutsche Bank AG in Frankfurt. “While the economy may start to stabilize, the worst is still ahead in terms of the labor market.” EU jobless rate, which is currently 9.2 percent, highest since September 1999, is expected to average 9.9 percent this year and 11.5 percent in 2010. Biggest job losses are projected to be in Ireland and Spain.

National and Political Events

Private sector employer opposition to workers’ efforts to form unions intensified and became harsher, according to new study, “No Holds Barred: The Intensification of Employer Opposition to Organizing,” published by the American Rights at Work Education Fund and the Economic Policy Institute. Report author, Cornell University professor Kate Bronfenbrenner, found increased use of punitive employer behavior from 1999-2003 against workers in National Labor Relations Board-supervised elections. According to



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AGENDA

Rewriting the Rules of Wall Street

By Heather Booth, Director
Americans for Financial Reform

Reform of America's financial system must take place to avoid the near economic catastrophe last year that almost threw our nation into another Great Depression. Even though some economists see signs of the economy stabilizing, working families are still suffering from lost jobs, lost wages and lost opportunities for the future.

Now is the time to act while recent events are still fresh in the minds of Americans. We must take bold steps to rewrite the rules that govern Wall Street and to change the way the nation's financial system operates.

Americans for Financial Reform is a coalition of nearly 200 national, state and local organizations representing a diverse group that includes investors, unions, civil rights groups, online activists, retiree groups, consumer groups, local community organizations, and many of the nation's leading economists and financial experts.

The coalition's depth and diversity is unprecedented on the issue of financial reform and rises to meet an unprecedented challenge - fixing our broken financial system so that it provides accountability, fairness, and security for all. Our mission is to win real financial reform of our banking and financial system.

For too long, the rules of Wall Street have been written by the bankers and traders themselves.



Their unscrupulous greed created a crisis that has affected us all. Millions of Americans have lost their jobs, millions of homes have been foreclosed, many worker's retirement savings have been wiped out as a result.

All agree that bold action is needed to repair our nation's broken financial system and is vital to rebuilding our economy. We need to go back and clean up the mess and look at the root causes so it won't happen again.

President Obama has proposed sweeping, important, and positive changes to the ways in which financial markets are regulated. As the legislative process moves forward, we hope to strengthen and build on the President's proposal.

Real reforms mean reining in the anything-goes atmosphere that has characterized this era on Wall Street, replacing it with a comprehensive system to police the financial industry and protect the public.

To provide real security for the American people this regulatory system must be truly airtight, leaving no room for leaks and loopholes that the hedge funds, derivatives traders and others are already trying to carve out. Congress must ensure that what comes out of the legislative process is not just window dressing.

We are pleased that the President recognizes that real reform

also means putting in place a watchdog to ensure that ordinary Americans have the same level of security when they sign on the dotted line for products like home mortgages and credit cards that they rightly expect when buying anything from a toy to a toaster oven.

We will work toward more meaningful reform of credit rating agencies.

We will also be fighting for stronger measures than the Administration has put forth to help keep struggling families from losing their homes.

Without more effective strategies to keep people in their homes, our nation will continue to face the catastrophe of millions of mortgage foreclosures.

We are pleased that the President's plan calls for the new watchdog agency to work with the Department of Justice to enforce the nation's civil rights statutes.

However, any regulatory reform proposal must include broader measures to further fair housing and ensure that underserved markets will not continue to be incubators for predatory behavior that can ultimately imperil wider markets.

The Administration's proposal vests the Federal Reserve with many new powers aimed at controlling system-wide risk. To that proposal, Congress must add strong measures to ensure the Federal Reserve is truly independent and responsive to the public. We must open up and democratize

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Business Leaders for a Fair Economy

By Roger Smith, Chair, Business Leaders for a Fair Economy

As the president and CEO of American Income Life Insurance and National Income Life Insurance Company, I



run a company with more than 4,000 employees and associates, and I firmly believe the Employee Free Choice Act is critical to turning around our economy and rebuilding our middle class.

More than 1,000 business leaders like me have publicly endorsed the Employee Free Choice Act, but that is not enough because actions speak louder than words.

I realized I needed to organize responsible, worker-friendly business leaders in support of the Employee Free Choice Act.

Group Fights for Financial Reform

(Continued from front)

tize the Federal Reserve so that it is publicly accountable.

President Obama has taken an important first step toward restoring integrity and fairness to our financial system, but the battle for reform has only just begun, and we have no illusions about the difficulty of the fight to come.

The financial industry is already spending millions of dollars through an army of lobbyists to weaken current regulation, transparency standards, and enforcement mechanisms in their interest.

Sen. Richard Durbin, D-Ill, underscored the degree to which working families have been excluded from the debate on financial regulation when he said last month that “The banks are the most powerful lobby on Capitol Hill....frankly they own the place.”

It’s amazing what some of my fellow CEOs are willing to say in an effort to stop this important piece of legislation, and it was time to fight back.

A group of us have formed a new coalition, Business Leaders for a Fair Economy, to make it clear that it’s possible to be both pro-business and pro-worker.

We are a national group of employers, entrepreneurs and business leaders who understand that good jobs that pay well create demand for the goods and services we provide.

We support the Employee Free Choice Act as an integral part of our nation’s economic recovery.

I’m honored to be a part of this great new coalition and to serve with my fellow committee members, Darren Horndasch, president of Wisconsin Vision, and Diana Ortiz, president and CEO

Our principles will only prevail if the voices of the public are heard over those of bankers, traders, mortgage brokers and their armies of lobbyists.

The coalition exists to give real people a seat at the table in designing such a financial system that works for all of us.

As John Sweeney, president of the AFL-CIO points out “Working families have for too long paid the price for Wall Street’s excess in the form of billions of dollars in bailouts, millions of lost jobs and foreclosed homes, and trillions of dollars of retirement savings destroyed.”

To learn more about how you can get involved and Americans for Financial Reform’s bold call for action visit our website at www.ourfinancialsecurity.org.

(Mike Elk of Americans for Financial Reform contributed to this article)

of Ortiz Enterprises LLC and Ortiz Accounting and Tax Services.

As CEOs, we are challenging other responsible business leaders to support this landmark legislation because we know what is good for workers is good for business.

More About the Coalition

This article first appeared on the AFL-CIO NOW Blog, June 4. The coalition has released a new ad that ran in newspapers, like *The Wall Street Journal*, *The Hill* and *Politico*, aimed at the business community and political leaders.

“As a business owner, I believe that workers should have the freedom to bargain with employers for good wages, health care and the opportunity to retire with dignity. Better wages mean that the whole community has more money to spend and to build our economy,” said Diana Ortiz, owner of Colorado-based Ortiz Enterprises.

AIL Supports LIUNA Charity

AIL/NILICO recently made a significant contribution to a Laborers International Union charitable foundation. Shown below are (l-r) AIL/NILICO Vice President Jules Pagano, LIUNA President Terence O’Sullivan and AIL/NILICO Vice President Denise Bowyer. LIUNA Pres. O’Sullivan is a member of the AIL/NILICO Labor Advisory Board.



Bronfenbrenner, employers in NLRB election campaigns routinely subject workers to threats, interrogation, harassment, surveillance, and retaliation for union activity. Study found that the right to form a union and bargain collectively free from coercion and intimidation is “at best a promise indefinitely deferred.”

America’s Agenda, an alliance of U.S. businesses and national labor unions seeking common ground on health care reform, announced June 9 joint support for a set of federal health care proposals. According to America’s Agenda: Health Care for All Executive Director Mark Blum, the recommendations “represent significant areas of consensus in health reform.” Proposals focused on reducing rate of growth in health care costs, “while also improving the quality of care, and offering a bipartisan approach to reform,” said the group. Blum said that business and labor leaders agree that effective health reform must attack “the root causes” of health care inflation and produce a more “efficient” health care delivery system. “The policy recommendations we’re making to Congress are realistic and they’re achievable,” said Blum. To view America’s Agenda policy recommendations, go to www.americasagenda.org.

Vice President Joseph Biden and other top members of the Obama administration last month cancelled plans to attend annual U.S. Conference of Mayors meeting in Providence, R.I. to avoid crossing picket lines set up by International Association of Fire Fighters Local 799. Fire fighters were joined by the Rhode Island state federation and other unions. Union leaders reported that Providence Mayor David Cicilline has waged a nearly seven-year campaign against the fire fighters, refusing to negotiate fairly, forcing the union into arbitration over each contract, and introducing anti-union ordinances and calling for similar state legislation. “...by refusing to attend this high-profile conference, (the Obama Administration) have sent a strong message to the entire country—that unions and workers rights matter,” said IAFF National President Harold Schaitberger.

News From Around the Labor Movement

AFL-CIO Building and Construction Trades Department, AFL-CIO, reached “milestone” agreement with Bechtel Construction to build proposed third reactor at the Calvert Cliffs nuclear power plant in Lusby, Md. According to news reports, agreement is a modified version of the union’s national construction agreement under which the building trades will provide qualified, skilled workers for the project and Bechtel commits to “fair wages, benefits and working conditions.” Agreement also calls for an on-site labor relations coordinator to “provide leadership and maintain harmonious relations among employees, the unions, the employers and the owners,” according to the building trades. Once federal authorities give final approval, project is expected to create 4,000 jobs during the peak of construction and 360 permanent jobs after the 1,600-megawatt plant is operating. Calvert Cliffs 3 project is owned and operated by UniStar Nuclear Energy.

Screen Actors Guild members last month overwhelmingly voted to approve new two-year agreement with the major Hollywood studios, ending nearly a year of bargaining. SAG members will receive a 3 percent wage increase immediately and a 3.5 percent increase after one year. Actors working on material created for digital distribution will receive additional compensation, including residual payments for ad-supported Internet streaming of feature films and television programs. Digital material provision is similar to what other entertainment unions previously accepted. Negotiations between SAG and the Alliance of Motion Picture and Television Producers were contentious.

Service Employees International Union launched a \$1-million TV advertising campaign last month in California promoting new taxes on oil, tobacco and liquor industries to resolve state’s financial crisis. Republican lawmakers and Gov. Schwarzenegger have vowed not to raise taxes to bridge the state’s projected \$24-billion deficit. Instead, the governor wants to eliminate the state’s welfare-to-work program, health insurance for the working poor and student grants, among cuts to other social programs. “The governor’s proposed cuts-only budget will destroy the California we know,” said Eliseo Medina, SEIU executive vice president. Ultimately, he said, SEIU hopes to persuade enough Republicans in each house to join with the majority Democrats for the two-thirds legislative vote required for tax increases.

Washington-Baltimore Newspaper Guild/CWA Local 32035 June 12 ratified two-year contract with *The Washington Post* while members of the Boston Newspaper Guild Local 31245 reached concessionary contract demanded by Boston Globe management to keep newspaper open and avoid immediate 23 percent pay

cut. Boston Guild represents approximately 700 editorial and clerical workers. Tentative agreement comes a little more than two weeks after the Boston Newspaper Guild narrowly rejected a similar package of concessions. *Post* contract, meanwhile, provides lump-sum payments in both years to some 1,000 covered union employees, introduces different pension benefits for newly hired workers, and begins the integration of Web-based employees into the bargaining unit. Management won concession on seniority which exempts from seniority rules up to 25 percent of employees at a section targeted for layoffs.

Transport Workers Union Local 556 members at Southwest Airlines recently approved new four-year agreement that includes wage increases and benefit improvements. Dallas-based TWU Local 556 represents more than 9,700 Southwest flight attendants. Pact includes 3 percent pay raises for 2008, 2009, and 2010 with the salary increase for 2008 retroactive to when the contract became amendable on May 31, 2008. Flight attendants also will receive a variable profitability-based pay raise of 1 percent, 2 percent, or 3 percent for 2011. Agreement includes additional percentage matches on flight attendants' 401(k) retirement plans.

United Food and Commercial Workers Local 5 and Berkeley Bowl recently reached agreement for card check organizing procedure at the company's new Berkeley, Calif., grocery store if a majority of employees sign valid union authorization cards. Agreement also would extend to the new store UFCW's existing contract for some 200 workers at Berkeley Bowl's other store, also in Berkeley. UFCW first organized Berkeley Bowl in an NLRB-supervised election in 2005. "The whole point of this (new agreement) is to avoid the NLRB," said Local 5 President Robert Lind. Process calls for no union campaign activity at the new store until it has been open for 90 days. Company will provide UFCW with a list of all employees including name, job title, and department after 90 days. UFCW will notify the company in writing on the first day of its card signing campaign when it will have 45 days to gather signatures from employees for the card check.

In the Public Sector

Hawaii Government Employees Association, Hawaii State Teachers Association and the United Public Workers filed separate complaints in Circuit Court in Honolulu saying furloughs should be the subject of collective bargaining negotiations between unions and the state. Unions asked court for an injunction blocking Gov. Linda Lingle from imposing furloughs in July or spending restrictions equivalent to furloughs at the state Department of Education. "Her imposed furloughs are unfair and unconstitutional, and we were forced to take legal action to prevent implementation, and the harm it would do to government employees and their families," said HGEA's executive director Randy Perreira in a statement. Lingle ordered state workers to take three furlough days a month for the next two years, about a 13.8 percent pay cut, to save \$688 million.

Colorado labor roundly criticized Gov. Bill Ritter (D) after he vetoed June 4 a fire fighters' collective bargaining bill. "With an unconscionable stroke of his pen [Ritter] is preventing Colorado's fire fighters from having a voice at work through collective bargaining," AFL-CIO President John Sweeney said. While campaigning for governor in 2006 Ritter met with the Colorado Professional Fire Fighters during their state meeting and promised to support statewide collective bargaining. Bill would have required home-rule municipalities, fire authorities, county improvement districts, and special districts that provide fire protection services to collectively bargain with fire fighters in departments with 50 or more fire fighters.

NLRB Rulings and Significant Court Decisions

Upholding administrative law judge ruling, National Labor Relations Board recently ordered new representation election for nearly 800 registered nurses at Community Medical Center in Toms River, N.J. Chairman Wilma B. Liebman and Member Peter C. Schaumber accepted ALJ's finding that Community, a 600-bed hospital, violated the National Labor Relations Act by barring New York State Nurses Association representatives from a hospital-owned parking garage and by promising to implement a "shared governance" plan to discourage RNs from voting for the union. Board, however, reversed ALJ finding that Community committed an unfair labor practice by hiring a consultant who was a former union organizer and previously led the organizing campaign at the hospital. Board said there was no precedent for the ALJ's ruling that the consultant should have given assurances to the union that he would not use his knowledge against them.