

****FACT SHEET ON EMPLOYEE FREE CHOICE ACT INCLUDED**

FOR IMMEDIATE RELEASE

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**KENNEDY HOLDS FIRST SENATE HEARING ON EMPLOYEE FREE
CHOICE ACT
** TODAY AT 9:30 AM ****

***FIGHTS FOR BILL TO PROTECT WORKERS AND STRENGTHEN THE MIDDLE
CLASS***

Washington, D.C. -- Today, Senator Edward M. Kennedy, Chairman of the Health, Education, Labor and Pensions Committee holds the first Senate hearing on the Employee Free Choice Act. The Employee Free Choice Act will protect the democratic right of workers to choose to join a union, strengthening the middle class by giving workers the ability – when they choose it – to bargain for better terms. In today’s economy, productivity is rising and corporate profits are soaring but wages have been stagnant and workers are losing essential benefits like health care and pensions.

“It’s time to return to a world where workers obtain their fair share of the nation’s economic growth. The best way to do so is to give them a stronger voice in the workplace,” Senator Kennedy said. “Unions mean the difference between an economy that is fair and an economy where working people are left behind. **The fundamental promise of the American dream is that hard work leads to success and a better life for families.**”

The Senators will hear from workers, economists, and labor law experts on the urgent need for this legislation, including Mr. Errol Hohrein; Prof. Cynthia Estlund, Catherine A. Rein Professor of Law, New York University Law School; Dr. Laurence Mishel, President, Economic Policy Institute; Mr. Peter Hurtgen, Former Chairman and Member, National Labor Relations Board.

Below is a summary of the Employee Free Choice Act and Senator Kennedy’s full remarks, as prepared for delivery.

SUMMARY OF THE EMPLOYEE FREE CHOICE ACT

The Employee Free Choice Act will help to create an atmosphere where workers can choose a union free from employer coercion.

Majority Sign-Up—Employees Choose A Union When A Majority of Workers Sign Cards Endorsing the Union

Problem: Union elections are often the focus of employer intimidation and coercion—employers illegally fire employees for union activity in more than one-quarter of all organizing efforts. In 2005, over 30,000 workers were discriminated against—losing wages or even their jobs—for exercising their freedom to associate.

Solution: The bill provides that workers can choose a union when a majority of them sign valid cards stating they want a union as their bargaining representative. Existing law allows for majority sign-up, but only at the employer's discretion. The National Labor Relations Board (NLRB) will determine the validity of the cards.

Reaching First Contract Through Mediation and Arbitration

Problem: 34 percent of union victories—more than one-third of hard-won elections—did not result in a contract for workers. This renders employee choice meaningless.

Solution: The bill provides that if the parties don't reach a contract within 90 days, either one can seek mediation from the Federal Mediation and Conciliation Service (FMCS). If there is no agreement after 30 days of mediation, the dispute will go to arbitration, the result of which will be binding on the parties for two years.

Strengthens Remedies for Employer Coercion When Employees are Trying to Organize or get a First Contract

Problem: Employers fire pro-union workers in 25% of organizing drives. But remedies for this coercion are inadequate. An employee must often spend years to prove her case—and then she is only eligible to receive back pay and reinstatement to her job.

Solution:

- Injunctions: The NLRB must go to court to get an order stopping an employer that is firing or discriminating against workers based on their union activity during an organizing or first contract drive.
- Treble Backpay. An employer that discriminates against a worker during an organizing campaign or first contract drive must pay three times back pay.
- Civil Penalties: Imposes civil fines up to \$20,000 per violation if an employer willfully or repeatedly violates workers' rights during an organizing campaign or first contract drive.

STATEMENT OF SENATOR EDWARD M. KENNEDY
Employee Free Choice Act Hearing
(As Prepared for Delivery)
March 27, 2007

The fundamental promise of the American Dream is that hard work leads to success and a better life for families. It's a vision of shared prosperity where we all work hard to expand the economic pie, and we all reap the benefits. Unfortunately, the American Dream has become a false hope for many working families. America is no longer growing together. We have an economy that works for Wall Street, but not for Main Street.

Our hearings so far have demonstrated the growing insecurity faced by millions of working Americans. Men and women are working harder than ever and not receiving their fair share of the nation's prosperity.

Since President Bush took office, corporate profits have increased 65 percent.

Productivity is up 18 percent. But household income has declined significantly and the wages of working Americans are stagnant. Six million more have lost their health insurance, and their retirement security is fading as well. Only 1 in 5 workers today earns a guaranteed pension. The American dream is increasingly out of reach.

It's time to return to a world where workers obtain their fair share of the nation's economic growth. The best way to do so is to give them a stronger voice in the workplace. Unions were fundamental in building America's middle class, and they still have a vital role today in preserving the American dream. In 1960, when private sector union membership was at its peak, all Americans shared in the nation's rapidly growing prosperity. The rising tide of prosperity truly did lift all boats.

Now, union membership has sunk to record lows, and working families are falling farther and farther behind. Inequality is rising to record levels not seen since the gilded age, and only those at the very top are profiting from our economic growth.

Today, we have a system where CEO's demand strong contracts with inflated salaries for themselves, but fight to keep workers from having a voice on the job.

Our workplaces have become less democratic and the voices of working people have been silenced. In 2005, more than 30,000 workers were illegally fired or retaliated against for trying to exercise their right to have a union in the workplace. Every 17 minutes, a worker is fired or punished illegally for supporting a union.

Unscrupulous employers routinely break the law to keep unions out—they intimidate workers, harass them, and discriminate against them. They close down whole departments—or even entire plants—to avoid negotiating a union contract. It's illegal and it's unacceptable, but it happens every day.

It happens to workers like Jeff Lemon of Beaver County, Pennsylvania, who worked in the Beaver County Times distribution center. When he and his co-workers weren't given the raises promised by the company, they tried to form a union and asked the National Labor Relations Board to conduct an election. At that point, the company launched its anti-union crusade.

Management threatened to eliminate their jobs and replace them with outside contractors. They forced everyone to sit in meetings and listen to why the union shouldn't be allowed in. They spied on workers when they distributed information about the union at community events. And they fired Jeff for his union activity.

Despite the threats and intimidation, the employees voted for the union two years ago. But, they still don't have a contract, because the company keeps stalling and refusing to reach any kind of agreement. The National Labor Relations Board ruled that Jeff was unlawfully fired for his union support, and the company is appealing the ruling and refusing to restore him to his position. It could be years before he gets back the job he needs.

Stories like Jeff's are all too common. The current system is broken. The law isn't protecting workers, and it can't stop the anti-worker tactics that take place every day.

Penalties for misconduct are so minor that employers treat them as just another cost of doing business. The rules of the NLRB are so biased that workers never get a chance to have their voices heard.

The atmosphere becomes so tainted that it's impossible for workers to make a free choice about whether they want a union.

That's why we need the Employee Free Choice Act. It will make America stronger by improving our economy, and restoring security and prosperity to the American middle class. Union wages are 30 percent higher than non-union wages. 80 percent of union workers have health insurance, compared to only 49 percent of non-union workers.

Union members are almost twice as likely to have paid sick days, and are four times more likely to have a secure, guaranteed pension. Unions mean the difference between an economy that's fair, and an economy where working people are left behind.

The Employee Free Choice Act will fix our broken system by leveling the playing field for employees in three critical ways. It supports the right of workers to choose their own representative. It requires employers to come to the table to talk. And it puts real teeth in the law by strengthening the penalties for discrimination against workers who favor a union.

These reforms will enable hardworking Americans to make their own decision about whether they want to bargain together – without the threat of harassment and retribution, or the fear of losing their livelihood. It will empower American workers to work together to ensure fair treatment on the job and build a better life for their families.

The Employee Free Choice Act is about more than changing our labor laws – it's about giving workers basic dignity and respect in the workplace. It's the first of many steps we need to take to restore the voice of the American worker, which has been silenced far too long.

I look forward to hearing from our witnesses today about this important bill and how we can best help America's working families build a better life and a better future for themselves and their children.