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International Brotherhood of Teamsters 25 Louisiana Avenue NW Washington, DC 20015 Good morning, Chairman Cassidy, Ranking Member Sanders, distinguished members of the committee. My name is Sean O'Brien. I have the honor to serve as the General President of the International Brotherhood of Teamsters. Thank you for the opportunity to appear before you today.

This is the third time that I have appeared before this Committee to talk about our nation's weak, unenforceable labor laws. For more than three years, under both Democratic and Republican Committee Chairs, we have identified problems and engaged in the same discussion but have seen zero solutions enacted by Congress.

The title of this hearing is encouraging — Labor Law Reform: Diagnosing the Issues, Exploring Current Proposals. For the first time in my experience, the title of this hearing doesn't hint at any perspective on the material at hand. As the title suggests, I am hopeful that we can spend the next few hours working together to identify areas of bipartisan agreement on policy proposals that have a realistic path toward becoming law.

I am also encouraged that I, the General President of North America's strongest union, have been invited here as a guest of the *Republican* majority. This is a positive change that deserves acknowledgement. Thank you again to Chair Cassidy for your open mind. I have enjoyed and valued our recent conversations.

For as long as I have been a Teamster, neither party has initiated an effort to reach bipartisan agreement on labor reform legislation. The Democrats' have played political football with massive labor reform bills like the *Protecting the Right to Organize Act*. Republicans have largely reintroduced business-friendly bills that make it harder to form a union. The merits of any of these bills do not matter because they were not designed with legislative success in mind. Most of the partisan labor reform bills introduced in the past decade have been designed to fail. Their introduction — and not passage — has then been used for political ads during election time. In a shameful disservice to the American worker, labor reform has long been politically untouchable and inert.

I abhor wasting such time. I was elected to get things done for rank-and-file Teamsters — to further solutions and not dwell on problems. Everyone in this room was similarly elected to produce for your own constituents.

Upon taking office, I directed the Teamsters Union's legislative department to confront and dispense with partisan bias and defeatist notions about legislative feasibility. As a result, our union has found new allies on both sides of the aisle and partnered in the introduction of a suite of meaningful bipartisan bills.

Senator Hawley and his staff have been essential allies in this effort. Senator Hawley's Pro-Worker Framework for the 119th Congress¹ includes pragmatic solutions to pressing concerns for workers who choose to form their union. Critically, the "Hawley framework" does not contain "poison pills" that immediately repel bipartisan support.

We support and appreciate that the "Hawley framework" is being introduced as a series of *individual*, bipartisan bills and not as one comprehensive reform package. There is a realignment around labor taking place within the Republican party.² The Teamsters Union wants to encourage that movement by offering multiple policy paths toward supporting our members and not a single legislative litmus test.

The "Hawley framework" addresses five distinct problems facing working people:

1. Transparency in the Workplace: Support for labor unions is at an all-time high, but even still most working people don't know their rights.³ Employers should be required to post and maintain notices of their employees' labor rights — and affirmatively notify new employees of these rights when they're hired — just like employers already do with OSHA standards.

¹ https://punchbowl.news/wp-content/uploads/01-08-25-Pro-Labor-Framework-2.pdf

² https://www.npr.org/2024/11/14/nx-s1-5183060/why-working-class-voters-have-been-shifting-toward-the-republican-party

³ https://slate.com/human-interest/2020/09/labor-law-usa-know-your-workers-rights.html https://news.gallup.com/poll/694472/labor-union-approval-relatively-steady.aspx

- 2. Make Union Elections Fair and Timely: Employers often respond to union campaigns by requiring employees to attend so-called "captive audience" meetings to try to persuade workers to stop organizing. They even terminate employees who don't attend. The "Hawley framework" ends that abusive practice while protecting free speech rights of business owners. It also ensures employers can't delay union elections indefinitely by requiring a timely vote in less than 20 business days.
- 3. Meaningful Penalties for Violating the Law: There are no meaningful penalties for violating the NLRA. Employers view unfair labor practices as the cost of doing business. The "Hawley framework" creates real civil penalties to deter employers from breaking the law. The framework also permits workers to seek redress in court if the Board fails to bring suit.⁵
- 4. Protect the Health and Safety of Workers in the Warehouse Industry: Warehouse workers, who help power our modern economy, face dangerous conditions at big corporations like Amazon. The "Hawley framework" prohibits unsafe work speed quotas and other corporate policies that lead to high rates of worker injuries in the warehouse industry.

Senators (and Committee members) Hawley (R-MO), Marshall (R-KS), Markey (D-MA), Sanders (I-VT), and Murphy (D-CT), have introduced legislation that addresses these safety concerns.

Companies like Amazon make billions in profits while abusing their employees through undisclosed and unreasonable productivity quotas in their warehouses. At Amazon facilities, workers are judged by a quota rate that is not disclosed to them, being forced to work against an invisible clock every day. This leads to workplace injuries and high worker turnover. Under Ranking Member Sanders' leadership, this Committee investigated these safety concerns and found that Amazon itself had documented the link between its quotas and elevated injury rates.⁶

⁴ https://www.epi.org/blog/captive-audience-meetings/

⁵ https://www.epi.org/publication/shortchanged-weak-anti-retaliation-provisions-in-the-national-labor-relations-act-cost-workers-billions/

⁶ https://www.help.senate.gov/imo/media/doc/amazon_investigation.pdf

Amazon's warehouse worker turnover rate is 150%⁷. According to internal documents from Amazon, the company could exhaust the warehouse labor market by this year and destroy an industry that has long produced middle class union jobs.

Allowing Amazon and other employers to get away with this practice creates a race to the bottom in the warehouse industry, putting pressure on employers who are doing the right thing. At Teamsters-represented warehouses, where management and workers negotiate a fair contract, work expectations are known, safety is prioritized, and workers often enjoy long and healthy careers.

5. Ensure Timely First Union Contracts: After workers vote to form their union, many employers will delay the negotiation of an initial collective bargaining agreement through stalling techniques. This strategy traps workers in limbo, preventing them from the benefits of the union that they voted for. The "Hawley framework" provides that, after workers have voted to join a union, the employer and the union must begin negotiating within 10 days and reach a final contract within months, not years.⁸

Since its inception as the Wagner Act in 1935, the National Labor Relations Act (NLRA) has been fundamentally reshaped only to erode labor rights and not to strengthen or grant new rights to working people. In that time, employers have also fundamentally changed their business models to structurally bypass the law's applicability. As a result, unions have seen membership shrink from more than a third of private-sector workers in the early 1950s to less than 6 percent today. Bargaining power for American workers has diminished. And the principle that workers should have a seat at the table has gradually been reduced to rhetoric.⁹

A recent paper published by American Compass refers to the (Other) Southern Strategy¹⁰. After the 1947 Taft–Hartley Act authorized "right to work" laws, Southern states began systematically

⁷ https://www.forbes.com/sites/edwardsegal/2022/10/24/amazon-responds-to-release-of-leaked-documents-showing-150-annual-employee-turnover/

⁸ https://www.epi.org/publication/union-first-contract-fact-sheet/

⁹ https://www.compactmag.com/article/can-republicans-help-fix-labor-law/

¹⁰ https://americancompass.org/the-other-southern-strategy/

enacting them to appeal to manufacturers. This created a competitive environment where companies could move from union-heavy, high-wage states in the North to lower-wage "right to work" states in the South.

This strategy depended on weakening unions and suppressing wages to reduce manufacturing costs. This domestic labor arbitrage institutionalized a competitive logic that was later scaled globally. By emphasizing wage suppression rather than productivity gains, this strategy contributed to a decline in the industrial base over time.

Eventually, this strategy dovetailed with global labor arbitrage as companies expanded their search for even cheaper labor overseas. Globalization intensified the trend, enabling firms to offshore production to countries with dramatically lower wages, weaker labor laws, and minimal environmental regulation. The initial Southern Strategy laid the groundwork by normalizing the logic of moving production for cost-cutting purposes — first domestically, then globally. The combined effect has been a decades-long erosion of labor power, wage stagnation for working-class Americans, and a redistribution of economic benefits away from labor and toward capital.

We are not likely to address all the harms of globalization here today or even in the 119th Congress, but we can confront and consider our own assumptions about labor costs as an impediment to entrepreneurship and job creation. We must collectively abandon the idea that business success is contingent upon cheap labor or minimizing worker power as a market force. We can reframe investment in workers and their prosperity as a critical and valuable component of entrepreneurial success and pass legislation that validates and enforces that perspective on a smaller scale.

Senators Hawley (R-MO), Moreno (R-OH), Booker (D-NJ), and Peters (D-MI) have joined together to lead a bill called the *Faster Labor Contracts Act*. This is the first labor reform bill introduced from the "Hawley framework." On the House side, the bill is led by Rep. Stauber (R-MN) and Rep. Norcross (D-NJ), who are both card-carrying union members. ¹¹ Rep. Stauber is a member of the Fraternal Order of Police. Rep Norcross is a member of the International

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¹¹ https://thehill.com/opinion/congress-blog/5522225-faster-labor-contracts-act/

Brotherhood of Electrical Workers. The House bill has support from 13 Democratic original cosponsors and 12 Republicans. Nearly 20 labor unions have endorsed the *Faster Labor Contracts Act* as well as right leaning policy think tank American Compass and the left leaning National Employment Law Project.

It is the first time in recent memory that we have labor reform legislation that is both bipartisan and bicameral. This coalition of support reflects an emerging recognition that labor law must work better for American workers and that both parties have a role to play in that effort.

Under current labor laws, employers are indeed required to bargain in good faith after workers vote to unionize. But companies, and even massive corporations, are not given a deadline to start or finish negotiations. The National Labor Relations Act includes a built-in incentive for employers to delay. After a union is certified, employees cannot vote to decertify the union for one year. This period gives the union time to establish itself and bargain for a first contract without fear of an immediate challenge to its representational status. However, if an employer delays or engages in "surface bargaining" (going through the motions without a sincere intent to reach an agreement) for the first year, employees may become discouraged. Employers often continue their anti-union campaigning without pause from pre-union election through the first contract negotiation process. As a result, employees may lose faith in the union's ability to deliver on its promises and question the value of collective bargaining. 12 A secondary benefit for the employer is sending a message to nonunion workers within the company that they will lose if they call for accountability from their employer and act to form their union. After the one-year bar is lifted, the employer often leverages employee frustration with the bargaining process to push for a decertification campaign. While the employer is not permitted to encourage or assist employees in filing a petition to remove the union, this happens often in practice and with no effective penalties, the word of law is little more than a suggestion.

The Faster Labor Contracts Act establishes a clear timeline for reaching a first union contract. Employers must begin bargaining within 10 days of union certification. If no agreement is reached within 90 days, the parties enter mediation. If mediation fails after 30 more days, a three-

¹² https://www.epi.org/publication/corporate-union-busting/

person arbitration panel — composed of one representative from each side and one neutral member selected by mutual agreement — is empowered to impose a binding two-year contract. The structure mirrors common dispute-resolution models already used in both labor and commercial arbitration. The Faster Labor Contracts Act only applies to workers and employers in the private sector and only applies to the first contract after a secret ballot election to form a union. Subsequent contract renegotiations would be governed by the NLRA's existing process.

The process proposed in the Faster Labor Contracts Act doesn't favor any one party over the other, it simply ensures that bargaining can't be stalled into irrelevance. Existing law already requires employers to negotiate. This legislation would simply ensure that the process results in a contract rather than a stalemate.

In a March 2025 survey, American Compass and YouGov tested provisions of the Protecting the Right to Organize Act (PRO Act) and found that the first-contract arbitration process was among the most popular, with a net favorability of +40, including majority support among Republicans (+29) and overwhelming support among younger Republicans (+44). Other provisions of the "Hawley framework" like clearer notification of organizing rights and harsher penalties for employers that violate those rights were also broadly popular. ¹³

Corewell Health is Michigan's largest single state health system. ¹⁴ At Corewell Health, 10,000 nurses organized with the Teamsters Union last year because they were mistreated, overworked, and underpaid. The hospital paid union-busting firms nearly \$2 million to try to stop their campaign. It didn't work. The nurses voted overwhelmingly to become Teamsters. It was one of the largest American union elections in decades. 15

Corewell has since tried to deny these nurses their right to a contract. It took the hospital system until late June — seven months after the union election — to even come to the table and negotiate for the first time. During the few bargaining sessions they've attended since, Corewell

¹³ https://americancompass.org/pro-tip-only-some-labor-reforms-are-pro-worker/

¹⁴ https://corewellhealth.org/about/value-and-transparency

¹⁵ https://www.cbsnews.com/detroit/news/corewell-health-nurses-teamsters-union-vote/ https://teamster.org/2024/11/nearly-10000-michigan-nurses-join-teamsters-in-historic-union-election/

management has slow-walked every issue and avoided speaking about the concerns that drove the nurses to become Teamsters in the first place.

Breakthru Beverage is one of the largest beverage wholesalers in North America, operating in 15 states, Canada, and the District of Columbia. The company reported over \$8.5 billion in annual sales in 2023. In September 2024, Breakthru drivers in Florida voted overwhelmingly to join the Teamsters. A total of 160 drivers in Fort Myers, Jacksonville, Orlando, Pensacola, Tallahassee, and Tampa organized for higher wages, improved benefits, and better working conditions. Thirteen months later, these Teamsters are still without a first contract.

At Amazon's JFK8 warehouse on Staten Island, workers voted to unionize in April 2022. Their union was not certified until January 2023. More than three years after their secret ballot election, they still do not have a contract. A recent article from the Economic Policy Institute is dead on — Amazon has zero intention of engaging in real good faith collective bargaining with representatives of the Staten Island workers. In fact, their business model, which relies on high worker turnover and avoiding responsibility for their employees is designed to make union organizing nearly impossible.

Amazon's obstructionism is not simply about denying a collective bargaining agreement to these workers. Rather, it is intended to send a signal to hundreds of thousands of other Amazon workers who might be considering trying to form a union: the company will never stop fighting unionization, and even if you withstand a blistering Amazon anti-union campaign, the company and its scores of Morgan Lewis lawyers will do everything possible to make sure you never get a first collective agreement. Thus, even if you win an election, you will likely lose in the end, because by appealing every NLRB decision, by delaying the legal processes at every opportunity, and by refusing to recognize the legitimacy of the NLRB, Amazon can win by losing.¹⁶

Nearly half of newly formed unions fail to secure a contract within a year of winning an election. After two years, a full third remain without a contract. Many never succeed at all. 17

¹⁶ https://www.epi.org/publication/corporate-union-busting/

¹⁷ https://www.epi.org/publication/union-first-contract-fact-sheet/

The Chamber of Commerce has opposed the *Faster Labor Contracts Act*. The Chamber makes two points in its opposition: government will force contracts on employers and workers; and small businesses will be hurt.

The NLRA includes a jurisdiction limit based on a private firm's revenue. That being said, small businesses are not where most of the Teamsters Union's new organizing is happening and certainly not where we see multimillion-dollar anti-union law firms being used to stop union organizing campaigns or prolong first contract negotiations. The Teamsters Union has grown by 90,000 members in the past three and a half years. In the private sector, a majority of these new members are employed at firms with more than \$2 million in annual revenue, with a significant portion of that majority reporting annual revenue in excess of \$20 million.

As for the role of government in the arbitration process, the Teamsters would be open to using a non-government entity like the American Arbitration Association as the arbitre named in the bill. ¹⁹ It is important to note however that arbitration clauses are a common part of everyday business contracts between firms and between employers and their employees. They are often used to protect a firm from employees' class action lawsuits. It's disingenuous for the Chamber to embrace the use of arbitration only when it suits their members' needs. ²⁰ That being said, if opponents of the *Faster Labor Contracts Act* have ideas about different, but equally effective enforcement mechanisms that will prevent multi-year delay in the first contract negotiation process, the Teamsters Union would certainly be open to having that discussion. It is critical however, that the enforcement mechanism used in the bill recognizes the inherent discrepancy in power and resources between an employer and their employee.

Let me be clear — the lack of a formal and enforceable timeline to achieve a first union contract after a successful secret ballot election is a critical problem for American workers, and the Teamsters Union wants to see Congress pass a meaningful solution. We will work with anyone

¹⁸ https://www.uschamber.com/employment-law/dont-let-washington-take-your-job-rights-away

¹⁹ https://www.adr.org/

²⁰ https://www.nelp.org/insights-research/fag-on-mandatory-arbitration-in-employment/

who shares that desire.

The reason the *Faster Labor Contracts Act* could be so successful — and so transformative for the American workforce — is because of how simple and straightforward it is. This is not a political football. This is not a 2,000-page omnibus bill to be passed in the dead of night. This is an increasingly rare example where legislators of all stripes put forward easily digestible reforms that can immediately and sustainably improve the lives of their constituents.

The bill's remedies to advance the lives of working people — and to safeguard the rights and shared prosperity of employers — are common sense. When passed, this legislation will change the game for American workers by unrigging a system now heavily bent to favor corporations. It creates a path for workers to ratify strong contracts that provide family-sustaining wages and benefits. It would establish for employers a more committed, satisfied, and reliable workforce, one made up of workers who know they're showing up every day to a job that respects and rewards their labor.

For organized labor, the bill would resolve one of the biggest problems we encounter on the ground when speaking with workers — employers, and certainly the largest among them in the U.S., should not be allowed to delay contract negotiations in perpetuity.

Last week, the Teamsters hosted a special event celebrating the legacy of Rerum Novarum and the shared work of the Catholic Church and organized labor.²¹ With the recent election of Pope Leo XIV, there has been renewed interest in the legacy of Pope Leo XIII, whose groundbreaking encyclical Rerum Novarum established the fundamentals of Catholic Social Teaching and laid the foundation for a relationship between the Church and organized labor that has thrived for over a century.

Rerum Novarum was written in the rough wake of the Industrial Revolution. It reminds us that humans are not instruments meant to be ground down and discarded. The economy must exist to

²¹ https://x.com/Teamsters/status/1973197824075456585

serve humanity, not the reverse.²² At this moment when the American working class is calling out for relief and demanding to be heard, neither party can truly claim a policy agenda that consistently serves that principle. Teamsters see both parties walking the line to keep business and labor donors pacified, but no reliable elected champions, especially in this moment of Big Tech dominance have yet emerged.

In the Teamsters, our members are empowered to build families, receiving the wages and benefits needed to support their children and partners. As a Teamster — whether you're delivering UPS packages, picking up garbage, or stocking shelves at the grocery store — you have a stake in sustaining a strong community. You know what it means to buy a home, to invest in the future, to pay taxes and dues, and to live with the dignity of knowing you can provide for your loved ones.

Shamefully, that dream escapes so many Americans today. But we all know, deep in our hearts, that such a life should still be available to every working person in this country. At its core, the *Faster Labor Contracts Act* is about restoring that reality.

Thank you for your attention today. I look forward to answering your questions.

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²² https://www.papalencyclicals.net/leo13/l13rerum.htm