

Sunday March 22 Washington Post Article>>>>>>

# Executives Detail Labor Bill Compromise



The chief executives of Costco, Starbucks and Whole Foods want to replace 'card check' with a more business-friendly labor bill. (By Jin Lee -- Bloomberg News)

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As business and labor gird for battle over legislation that would make it easier for workers to organize, the debate could be transformed by a "third way" proposed by three companies that like to project a progressive image: Costco, Starbucks and Whole Foods.

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Like other businesses, the three companies are opposed to two of the Employee Free Choice Act's components -- a provision that would allow workers to form a union if a majority sign pro-union cards, without having to hold a secret-ballot election, and one that would impose binding arbitration when employers and unions fail to reach a contract after 120 days.

But the companies' chief executive officers say they also recognize that just opposing the legislation, commonly called "card check," is not enough because of the widespread perception

in Democrat-dominated Washington that there is not a level playing field between labor and business. So the CEOs have come up with ideas they hope will form the basis of new legislation. Their proposal would maintain management's right to demand a secret-ballot election and would leave out binding arbitration. The proposal would keep the third main element of card check -- toughening the penalties for companies that retaliate against workers before union elections or refuse to engage in collective bargaining. But it would also toughen penalties for union violations, and it would make it easier for businesses to call elections to try to decertify a union.

To address labor's concern that businesses intimidate workers before elections, it would set a fixed period in which an election must be held, limiting the delays that give employers time to exert pressure. The proposal does not specify what the time period should be.

The proposal would also provide unions equal access to workers before elections -- for instance, by allowing organizers to address workers on a lunch break in the company cafeteria just as management can.

"We wanted to see what we can do to come up with a compromise position that is going to address the concerns of labor and also protect the sanctity of the collective bargaining process and secret ballot," said Costco Wholesale chief executive James D. Sinegal.

Starbucks chief executive Howard Schultz cast the proposal in more defensive terms. "The way the wind is blowing, we're heading toward a bill that is not the right approach," he said. "My responsibility is to not be a bystander but to offer a voice of reason, offer a more positive alternative that levels the playing field."

The effort is being led in Washington by Lanny Davis, a former special counsel to President Bill Clinton. Davis said he had approached about 20 Senate offices and gotten an overwhelmingly encouraging response. The Employee Free Choice Act has majority support in both chambers, but there are signs it may have trouble getting a filibuster-proof 60 votes in the Senate, where several centrist Democrats who previously supported it are expressing reservations.

[Sen. Mark Pryor](#) (D-Ark.), a centrist who is ambivalent about card check, praised the companies' proposal. "I appreciate a good-faith effort that could result in a reasonable compromise on what has become a highly polarizing matter," he said.

Davis said he thought that the proposal would intrigue President Obama, who as a senator was a co-sponsor of the card-check bill in 2007 but signaled in an interview before his inauguration that he was also open to other proposals to help organized labor. "This is consistent with President Obama's overall approach of avoiding polarized positions and looking for third-way ideas," Davis said.

The business lobby has been warning against any moves to tweak card check just enough to give centrists cover to support it. And word that a compromise is circulating from three "progressive" companies prompted business groups to warn yesterday against premature compromise.

But it is possible that the proposal will generate even greater opposition among unions and their supporters in Congress. Some business groups say they are open to limited changes in organizing rules, separate from card check -- a position not so far from what the three companies propose.

Labor unions, though, are adamant that workers be able to choose to organize via card check so they can avoid employer intimidation before elections. They say binding arbitration is needed because so many companies refuse to bargain -- nearly half of new unions never even get a contract.

The three CEOs are at odds with those planks. Whole Foods Market chief executive John Mackey said that binding arbitration is "not the way we normally do things in the United States" and that allowing workers to organize without a secret ballot "violates a bedrock principle of American democracy."

And the CEOs also do not share the labor movement's underlying belief that the decline of organized labor has contributed to income inequality and the economy's current imbalance. "That so few companies are unionized is not for a lack of trying but because [unions] are losing elections -- workers aren't choosing to have labor representation," Mackey said. "I don't feel things are worse off for labor today."

Of the three companies, only Costco has a substantial minority of employees that are unionized -- about a fifth of its hourly employees belong to the Teamsters, with whom it has good relations. Starbucks and Whole Foods have resisted most unionizing efforts.

Giving organizers the ability to use card check, Schultz said, would lead to a slew of separate bargaining units at a company like his, leading to "havoc and significant cost and disruption." Mackey had an even grimmer view. "Armed with those weapons, you will see unionization sweep across the United States and set workplaces at war with each other," he said. "I do not think it would be a good thing."

Wall Street Journal Article>>>>>

<http://online.wsj.com/article/SB123759435215100809.html>

Three Companies to Back Proposal on Union Bill

By KRIS MAHER

Three big retailers are expected to back an alternative proposal next week on a hotly contested bill that would make it easier to unionize workplaces, a move some experts said would bolster the legislation's chance of passage.

Costco Wholesale Corp., Starbucks Corp. and Whole Foods Market Inc. are supporting the alternative proposal, according to someone familiar with the effort. Ray Krupin, a management labor lawyer in Washington said the most likely compromise would allow employees to unionize if 70% of them sign union-authorization cards, as opposed to 50% as currently proposed in the Employee Free Choice Act.

On Saturday, a person close to the discussions denied that the proposal backed by the three companies included a plan to let unions organize workers if 70% sign cards.

It's unclear whether the proposal addresses a thorny section of the bill that would have a government arbitrator draw up a contract if unions and companies can't agree to terms within 120 days.

"We have had conversations with like-minded companies and are open to exploring alternative solutions to the legislation as it is currently written," said Deb Trevino, a spokeswoman for Starbucks.

Libba Letton, a spokeswoman for Whole Foods, said, "We've been having conversations with other companies that have the same outlook that we do. We've been talking to them about finding fair alternatives."

A Costco representative couldn't immediately be reached for comment.

A person close to the companies said the proposal will be fair to all sides.

The bill is organized labor's top legislative priority and has the support of the White House and Democrats in Congress. But it is strongly opposed by most major corporations and industry trade groups.

Julia Wanzco, a spokeswoman for Republican Sen. Olympia Snowe of Maine, said, "We are aware there is a proposal being shopped around and details will be unveiled early next week." She said no one on the senator's staff had formally met with representatives of the three companies and didn't know details of the proposal.

The anticipated proposal was condemned by some business groups. "These huge companies are selling out hundreds of thousands of small ones under the guise of making some phony and misguided compromise with Big Labor," said Mark Mix, president of the National Right to Work Committee, which has been campaigning against the bill. "We believe we have this draconian bill defeated outright, so these actions may well lead to the bill's passage."

Stewart Acuff, special assistant to the president of the AFL-CIO, said the labor federation hasn't been involved with any companies in crafting a compromise on the bill. "What we have heard consistently from the business community is that there is no compromise," he said. "We expect to pass it the way it's written now."

President Barack Obama signaled in January that he is open to hearing compromise proposals on the Employee Free Choice Act. White House spokesman Tommy Vietor declined to comment on whether the administration was involved in crafting a middle ground.

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