



Challenges Facing Manufacturers in 2009

March 31, 2009

Fibre Box Association

The National Association of Manufacturers

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NAM National Association
of Manufacturers



What Is the NAM?

- The NAM is the largest multi-industrial trade association, with 11,000 companies of all sizes as members;
- The NAM represents over 13 million manufacturing employees;
- The NAM includes 350 trade associations, including the New Hampshire Business and Industry Association, in its membership;
- Member companies of the NAM are responsible for 85 percent of U.S. manufacturing output;
- The NAM represents every industrial sector; and
- The NAM is composed of members from all 50 states.



Overview

Employers faced many challenges in the previous 110th Congress with legislation related to employment policy, labor law and workplace health and safety issues.

Many of these proposals:

- Restrict workers' right to secret ballots;
- Expose employers to increased litigation;
- Limit the flexibility of employers to provide individual workplace benefits; and,
- Create a more adversarial employer-employee relationship.

More challenges that impact manufacturers' competitiveness are expected this year.



Employee “FORCED” Choice Act

Background

- Current labor law – The National Labor Relations Act (NLRA)
- Federally supervised free and fair secret ballot elections require a majority to form a labor union

Impact of EFCA

- Eliminates secret ballot provisions, replaces with a card check system
- Open to coercion from union organizers
- Imposes binding third party arbitration



"Card Check"

REPRESENTATION AUTHORIZATION AND REQUEST FOR AN EMPLOYEE ELECTION

UNDER THE NATIONAL LABOR RELATIONS ACT

NAME OF EMPLOYER: Widgets, Inc. EMPL. NO.: 23

CLASSIFIED AS A: Widget Engineer
(Please Be Specific)

FULL/PT: Full HOURS: 40 DATE OF HIRE: 6/15/01 STATION: C

SHIFT/HOURS/DAYS: 8 - 5pm, M-F

HOME ADDRESS: 123 Main St.

CITY: Small Town STATE: USA ZIP CODE: 00011 PHONE: (202)555-1111

I authorize the Manufacturing Division of the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) to request the National Mediation Board to conduct an investigation and a representation election and/or to represent me for all purposes under the National Labor Relations Act with regard to:
(1) collective bargaining over rules, rates of pay and working conditions; (2) grievance handling; and (3) protection of my rights under Section 2, Third and Fourth of the Act.

SIGNATURE: John Q. Public

PRINT NAME: John Q. Public DATE: 3/18/07



Legislative Background

Employee Free Choice Act (EFCA)

- Passed the House in March 2007: 241 – 185
 - Party line vote; except two Democrats
- Effectively blocked in the Senate in the 110th Congress
 - Failed to reach the votes needed for cloture in the Senate
 - 60 votes needed
 - Failed June 2007: 51 – 48
 - Party line vote; except one Republican



Status

Employee Free Choice Act (EFCA)

- Introduced March 10, 2009
- Less cosponsors
 - 223 in the House (down from 233)
 - 40 in the Senate (down from 46)
- Recent Announcement by Sen. Specter

Difficult to support

- Political dynamics (no veto cover)
- Economic concerns (jobs killer)
- Discussions of compromise (Starbucks, Costco and Whole Foods)



Efforts Underway to Oppose the EFCA

- #1 Priority for Organized Labor
 - Stalled action in Congress
- Public opinion widely opposed to the EFCA
 - Even union households oppose the elimination of secret ballots
- Media outreach
- Grasstops Efforts
- Employee Engagement

Business Leaders Taking Action

- Contacting Members of Congress
- Raise awareness with other business leaders



The Challenge

- Unions spent more than \$350M in the 2008 campaign cycle
- Union membership is on the rise – 400K new members in 2008
- Dues base – operating budget of the AFL-CIO is \$186M and the SEIU is \$269M
- Average UAW dues are \$618 per year, union leaders claim they will add 1.5M new members each year with EFCA – that is almost \$1B in dues money



Impact of Our Efforts

- Lack of Blue Dog support in the House
- Calls from House Leadership for the Senate to act first
- Delayed introduction of the bill; fewer co-sponsors in both Chambers
- 18 Democrat Senators did not sign on to the legislation
- Sen. Specter will oppose cloture



Other Employment and Labor Policy Challenges

- Pay equity proposals
 - *Currently underway – Paycheck Fairness Act*
- Paid leave mandates
 - Healthy Families Act
- Proposals to expand the Family Medical Leave Act
- RESPECT Act
- Reclassification of independent contractors
- Flexible schedule mandates
- Increased penalties for violations of the OSH Act
- Reclassification of Independent Contractors



Take Action

Employer Card Check Toolkit

www.nam.org/efca