



Defeat EFCA: Employee Free Choice Act

June 2009

Summary:

The “Employee Free Choice Act” (EFCA) H.R.1409/S.560 was introduced in Congress in March and is expected to be voted during the summer months. It is vital for our industry to act swiftly to ensure Congress hears how this legislation will eliminate a key aspect of our traditional approach to democracy. This bill will undermine right to work laws, worker privacy and provides an avenue for the federal government to control wages and benefits within your company as unions push employees to be unionized once this bill passes.

This measure has significant support in the U.S. House of Representatives, and President Obama has pledged to sign the bill as soon as it passes through Congress. The only hope for defeat is for 41 U.S. Senators to oppose the bill. ***If you are receiving this, one of your Senators has expressed doubts about the bill*** and immediately needs to hear from you about how this bill will affect your business, your competitiveness and your job growth. You will receive a phone call shortly from the President of your state’s chapter or a fellow component manufacturer to discuss the harmful effects of this legislation and how you can help to defeat it.

Immediate Action to be Taken:

The following Senators have either recently expressed doubts regarding EFCA or may be convinced to vote against the bill:

Blanche L. Lincoln (D-AR)	Mark Pryor (D-AR)	Michael Bennet (D-CO)
Mark Udall (D-CO)	Thomas Carper (D-DE)	Evan Bayh (D-IN)
Mary Landrieu (D-LA)	Olympia Snowe (R-ME)	Susan Collins (R-ME)
Amy Klobuchar (D-MN)	Kay Hagen (D-NC)	Kent Conrad (D-ND)
Byron Dorgan (D-ND)	Ben Nelson (D-NE)	Arlen Specter (D-PA)
Claire McCaskill (D-MO)	John Tester (D-MT)	Mark Warner (D-VA)

Please feel free to utilize the talking points and template letter provided below and contact their offices immediately. To obtain the phone number and office information for your lawmakers, go to:

U.S. Senators

[Click Here to Look Up Your Senator](#)

Locate the “Choose a State” pull-down menu, choose your state, then click on the web site link for each Senator (their name). Their office locations can generally be found under the menu heading “Contact.”

EFCA Background:

Eliminates Traditional Private Voting Process—an Inalienable Right in Our Democracy

This bill would replace the current process of private ballot union representation elections with a system called “card check,” which allows union organizers and their peers to publicly gather support for the creation of a union. The card check process allows employees to organize a labor union when a majority of employees in a bargaining unit sign authorization forms, or “cards,” stating they wish to be represented by the union. Since the National Labor Relations Act (NLRA) became law in 1935, the private ballot option has been available to employees wishing to form a union. However, this new law would turn this process into an open, public ballot. In addition, the card check process increases the likelihood that employees will only hear one side of the story before deciding to sign the card instead of hearing each side of the argument to unionize.

Eliminates Privacy in Decision Making

This public process can also invite intimidation and threats in the workplace as well as harassment because employees’ decision for or against unionizing is public to everyone. When making the important decision to form a union, employees should be able to retain their right to privacy and freedom from undue and coercive influence.

Allows Government Control

If passed, this legislation would also impose an artificial timeline (90 days) for when the first labor contract must be reached upon union certification. If no contract is reached, a federal arbitrator could dictate the terms of the contract, including wages, benefits and work rules. In practice, EFCA will eliminate any incentives for collective bargaining for initial contracts because of the promise of binding government arbitration. Under this new system, unions are encouraged to make extreme demands and take hard line positions knowing the federal arbiter will likely split the difference between those demands and business’ competitive interest position.

Inclusive of Small Businesses

EFCA has no meaningful small businesses exemption. As a consequence, this measure has the potential to allow federal control of up to 4 million small businesses employing 39 million Americans. Government arbitrators, who may have no management experience, would effectively control these small businesses.

It also empowers the federal government to impose contracts on newly organized companies. The government would set wages, benefits, work assignments, promotion procedures, and any major changes to business operations.

Talking Points

Effectively Eliminates Secret Ballot Organizing Elections

EFCFA replaces secret ballot elections--the method by which most workers join unions--with publicly signed union cards.

Under EFCFA, workers have no say in union organizing tactics: it does not permit workers to sign cards that call for an election without also counting those signatures toward a card check majority. Workers must decide whether or not to join a union publicly in front of union organizers.

Workers Hear Only One Side of the Story

Organizers have a job to do: recruit new dues-paying members to their union. They are not paid to inform workers of the downsides of unionizing. Instead, they use sales tactics to make the strongest case they can for joining a union and ask workers to sign their cards immediately.

Many workers will likely make a choice after a high-pressure, one-sided sales pitch without hearing from both sides.

Workers Face Harassment and Pressure

Union organizers return again and again to the homes of workers who do not sign at first to pressure them to change their minds.

Workers who refuse to sign are potentially subject to intimidation and threats because their choice is no longer a private choice.

Mandatory Arbitration Ends Collective Bargaining

With collective bargaining both parties must be satisfied with the final result. No contract is signed unless the business' workers believe they have a fair deal and business believes that it will not go bankrupt.

With mandatory arbitration a government arbitrator writes the contract for newly organized companies. This has numerous drawbacks:

- There is no guarantee that either the business' workers or the business can live with the final result.
- The business' workers lose the right to vote on the contract or to go on strike.
- The business loses its rights to work with the business' workers.
- Both must accept the contract with no recourse if the result is unacceptable.

Bureaucratic Central Planning

Binding arbitration would impose bureaucratic contracts on companies and stifle firms with innovative business models.

Arbitrators with little business knowledge could easily bankrupt companies with unworkable contracts.

Uncertainty over future business costs would cause companies to reduce investment as they wait over a year for the arbitrator to hand down the final contract.

Utilizing a government arbiter has several downsides:

- The arbitrator has little experience with the company or knowledge of its business practices, but dictates all wages and working conditions for two years.
- The arbitrator is unaccountable for mistakes.
- The arbitrator is unaffected if he awards workers lower wages than they could have won otherwise or bankrupts the company with an unaffordable contract.

Less Investment and Jobs

Unionized companies are:

- Less flexible than nonunion companies because they must collectively bargain any changes to their labor contract.
- Less able to innovate and respond to competition.