

TMG Update

“What’s Up” With The Change To Win Federation?

(by Frank S. Merrick)

E-MAIL US AT:
FMERRICK@MICKUSGROUP.COM
TPowell@MICKUSGROUP.COM
TGRIMES@MICKUSGROUP.COM
HKRAUS@MICKUSGROUP.COM
MCHANCE@MICKUSGROUP.COM
TLYON@MICKUSGROUP.COM
INFO@MICKUSGROUP.COM

Last August, seven (7) International Unions rocked the AFL-CIO and the labor relations world by announcing they were withdrawing from the one, unified “House of Labor” and creating a new federation. Their stated purpose was to increase the focus on and improve the results of organizing for new members. Given the fact that this group included some major players (see “CTW” insert), the labor relations world was bracing for action.

Now, nine months later, we have not seen the action we anticipated. Although, still totaling over 2,100 per year, NLRB elections continue to notch down. Major unions such as the SEIU and the UFCW have not shown a noticeable increase in their NLRB Petitions for Election. While the Teamsters remain very active, there is no evident change in their organizing behavior either.

There have, however, been some apparent changes. One has been an increase in publicity including a recent \$500,000 TV ad campaign. However, this seems designed to primarily augment a number of the seven (7) CTW unions' individual initiatives. More noticeably, what we have seen is a shift in the Change To Win Federation's (CTW) organizing

strategy. Instead of fighting it out in NLRB elections, it appears these unions are choosing to take their fights to several new and different battlegrounds:

1. Large workgroups not previously seen as potentials for unionization.

These include workers like home-based child care workers who contract with various state agencies. 47,000 organized in Illinois; 10,000 in the state of Washington; 5,000 in Oregon. More pending in other states. These new captures are the result of lobbying pro-union legislators and governors to pass laws/executive orders giving these workers the right to bargain collectively – a right not extended to them under the National Labor Relations Act. Previously seen as independent contractors, they have now been allowed to unify in the interest of improving their leverage and, purportedly, the leverage of those they care for.

This category also includes the large undocumented worker population so much in the news lately. Previously shunned as “competition for American jobs” by many labor unions, CTW members like the SEIU, UNITE-HERE and even the construction-oriented Laborer's Union have publicly backed granting this immigrant popula-

tion full rights – including the right to organize.

2. **Health care workers via modified corporate campaigns.** Again avoiding NLRB procedures, unions are looking for Corporatized health care providers (or providers they can portray as corporatized) to be held out as robber barons-insensitive to quality care. In Massachusetts, the SEIU is writing legislators and publishing reports about the alleged high salaries paid to CEOs of private, but state funded, mental and physical health care providers. In Chicago, several unions are decrying in print and on TV the alleged imbalance between state funding/tax benefits given to versus the amount of charity care provided by a number of secular and religious based hospitals. The objective of these publicity

MEMBERS OF THE CHANGE TO WIN FEDERATION

- SEIU — 1.8 Million
- Teamsters — 1.4 Million
- UFCW — 1.4 Million
- UNITE-HERE — 400 Thousand
- Laborer's International Union of North America — 377 Thousand
- United Farm Workers — 16 Thousand
- United Brotherhood of Carpenters and Joiners of America — 520 Thousand



campaigns is to "...win acquiescence from the executive suite, not the employees..." and, ideally, gain a neutrality pledge and a card check agreement. Respectively, the first will mute an employer from fully educating his/her employees about unionism. The second will forego the right to have the question of representation decided by a government supervised, secret ballot election and instead relegate it to how many employee signatures a union can get on its authorization cards.

3. Identifying strategic targets against which to launch national and international campaigns.

In a speech to a Chicago law school symposium, Terrence O'Sullivan, President of the Laborers International Union, told attendees his union and other CTW unions are funding a study by an Ivy League university to identify corporations that are susceptible to both national and international pressures. Commitments have been secured from the U.N.I. (Union Network International) to put concurrent pressure on vulnerable employers on both sides of the pond. On this continent, the growing challenge against Wal-Mart has been characterized by state initiatives to place a tax on them and them alone (see "Fair Share.." insert). Compounded by legal challenges under Canadian labour law, rallies in communities where Wal-Mart is proposing to open new stores and several targeted web sites (e.g. WakeUp-Walmart.com), this strategy provides a glimpse of what this battlefield initiative is beginning to look like.

So also does the SEIU's successful organizing of nearly 6,000 janitors in

Houston, Texas last year. Not simply relying on local union organizers and the traditional approach, the SEIU launched a multi-pronged attack. They brought not only organizers from their Local in Chicago, but also working Chicago janitors/union members to meet with and "sell" their Houston counterparts. They rallied their bargaining units at many of the same national janitorial service companies with whom they had contracts to rise up around the country. They held a short sympathy strike at one of those employers and threatened more to all members of the employer group. After 5 months and a \$1.5 million investment, the SEIU won neutrality and card check. Shortly thereafter, this union had 5,700 new bargaining unit members and the largest single private sector union victory in Texas in decades.

The CTW unions have a lot to prove. Bolting from the pack that has been a unified voice of the labor movement for over half a century (save for a few union outliers and some comings and goings over the years) was a bold move – and one that not all of the seven unions' constituents agreed with. Some of the CTW's local union officers and members argued it would be better to stay within the House of Labor and redirect it from the inside. The CTW's International leaders disagreed. Now they have to prove to the AFL-CIO, the general public and some of their own leaders/members they were right in leaving.

At the same time, we are seeing some of the AFL-CIO unions rise up, apparently to prove that the CTW unions

were wrong. The objective here may be for leaders in some of the AFL-CIO unions to prove to their membership they were correct in staying in the traditional House of Labor. All of this is leading to an uncertain labor relations landscape. What we have been advising our clients is, given all the bravado and all the energy that is being expelled, be as vigilant as ever. More specifically, we have been recommending the following:

- * Consider your exposure to a Corporate Campaign. Take stock of how much at risk your organization would be to a data search on your corporate salaries, EEO/OSHA/etc. record, and other litigation history. What would such a research project uncover, and how would your employees react to the results?

- * Train your Supervisors and Managers. They remain your first line of defense. Have you invested in Preventive Labor training as much as you have in Diversity and Harassment training?

- * Realistically evaluate your vulnerability. In this era of rising health care costs, rising energy costs and highly publicized outsourcing and offshoring, employees are feeling increasingly at a loss of control. Unions have become more adept at taking advantage of these feelings. Maybe that is, in part, why unions have improved their win rate in NLRB elections to over 61% at last report.

Our prediction is that unions, especially the CTW unions, will soon run out of the low hanging fruit orchards that allow them to capture large employee groups outside of NLRB procedures. As that occurs, it is likely they will return to more traditional organizing, but likely with non-traditional strategies and tactics. Employers committed to a direct working relationship need to batten their hatches for new attacks from different and maybe multiple directions, while still keeping guard on their main entrance.

Fair Share Health Care Bills

Earlier this year, Maryland became the first state to require Wal-Mart to provide a set level of health care to its employees or pay a tax. The bill, drafted as a model for other states, requires any employer with 10,000 or more employees (this number is lower in smaller states – even down to 1,000 in New Hampshire) to spend a fixed percentage of wages on health insurance for their employees or subsidize health care for uninsured workers in the state. In Maryland, the target percentage is 8%, but the size of covered employers effectively only results in the law applying to Wal-Mart. It is expected that similar bills will be introduced in other states with labor-friendly legislatures and governors. There are reported to be 30 states targeted.

The Mickus Group, LLC

Bannockburn Lake Office Plaza
2201 Waukegan Road, Suite E275
Bannockburn, IL 60015

Phone: (847) 948-7130
Fax: (847) 948-0663
www.mickusgroup.com

(Please note: Nothing contained in this publication should be considered legal advice or constitute a consulting recommendation for any specific client situation.)