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Plan to Seek Use of U.S. Contracts as a Wage Lever

The Obama administration is planning to use the government's enormous buying power to prod private companies to improve wages and benefits for millions of workers, according to White House officials and several interest groups briefed on the plan.

By altering how it awards \$500 billion in contracts each year, the government would disqualify more companies with labor, environmental or other violations and give an edge to companies that offer better levels of pay, health coverage, pensions and other benefits, the officials said.

Because nearly one in four workers is employed by companies that have contracts with the federal government, administration officials see the plan as a way to shape social policy and lift more families into the middle class. It would affect contracts like those awarded to make Army uniforms, clean federal buildings and mow lawns at military bases.

Although the details are still being worked out, the outline of the plan is drawing fierce opposition from business groups and Republican lawmakers. They see it as a gift to organized labor and say it would drive up costs for the government in the face of a \$1.3 trillion budget deficit.

"I'm suspicious of what the end goals are," said Ben Brubeck, director of labor and federal procurement for Associated Builders and Contractors, which represents 25,000 construction-related companies. "It's pretty clear the agenda is to give big labor an advantage in federal contracts."

Critics also said the policy would put small businesses, many of which do not provide rich benefits, at a disadvantage. Furthermore, government officials would find it difficult to evaluate bidders using the new criteria and to determine whether one company's

compensation package should give it an edge, said Alan L. Chvotkin, executive vice president of the Professional Services Council, a coalition of 340 government contractors.

From his earliest days in office, President Obama has called for an overhaul of government procurement policy, citing the contracting scandals of the previous decade involving cost overruns and no-bid contracts.

“The president made it clear that he is committed to reforming government contracts to save taxpayers money while protecting workers and the environment,” a White House spokesman, Bill Burton, said. “The administration is currently gathering data and examining the best ways to do this.”

Two of Mr. Obama’s allies — John Podesta, the Clinton administration chief of staff who headed the president’s transition team, and Andy Stern, president of the Service Employees International Union — have repeatedly pressed the president to use procurement policy to push up wages and benefits.

In testimony last year to the Office of Management and Budget, Mr. Podesta said that 400,000 workers employed under federal contracts — like cafeteria workers, security guards and landscaping workers at federal buildings — earn less than \$22,000 a year, the federal poverty line for a family of four, assuming just one paycheck in a household.

“We have a president who is talking about bringing more people into the middle class,” Mr. Stern said. “The government should expect contractors to obey the law, and at the same time contractors should not be building a poverty economy, but should be trying to build a high-road economy.”

The officials briefed on the plan said it was being developed by officials in the Office of Management and Budget, the White House Office of Legal Counsel, the Treasury, Justice and Labor Departments and the vice president’s Middle Class Task Force.

Even as business groups press the administration for more details, they are denouncing the plan, tentatively named the High Road Procurement Policy.

The Daily Caller, a conservative Web site, reported February 4th that the plan would “heavily favor government contractors that implement policies designed by organized labor.”

Randel K. Johnson, senior vice president for labor at the United States Chamber of Commerce, called the plan a “warmed-over version” of President Bill Clinton’s regulations that sought to bar federal agencies from awarding contracts to companies with a record of breaking labor, environmental or consumer laws. President George W. Bush vacated those regulations soon after taking office.

“We strongly opposed the Clinton blacklist regulations,” Mr. Johnson said, “and this appears worse than that.”

On Feb. 2, Senator Susan Collins of Maine and four other Republican senators sent a letter to Peter R. Orszag, director of the White House budget office, saying, “We are concerned that the imposition of these requirements, during a time of significant economic turmoil in the private sector and tight federal budgets, could have serious, negative consequences, especially for our nation’s small businesses.”

One signer was Tom Coburn, Republican of Oklahoma, who was one of the two main sponsors — the other was Senator Barack Obama — of a bill that sought to increase the transparency and accountability of federal contracting by requiring the government to create a data base of all federal contracts. President Bush signed it into law in 2007.

David Madland, director of the American Workers Project at the Center for American Progress, a liberal research group founded by Mr. Podesta, argues the new policy could lower government costs, instead of raising them.

Many low-wage employees of federal contractors receive Medicaid and food stamps, he said. Citing studies conducted by the Department of Housing and Urban Development and by academic researchers, he said that contractors that pay their employees well have greater productivity and reliability, while contractors with a record of labor law violations do shoddier construction work.

“This policy is good for workers, it’s good for taxpayers and it’s good for high-road businesses,” Mr. Madland said. He said that one study done by the state of Maryland found that after the state began requiring bidders to pay a living wage, the number of bidders per contract rose by a third on average. Some higher-wage companies said they began seeking government bids because the new policy leveled the playing field.

One federal official said the proposed policy would encourage procurement officers to favor companies with better compensation packages only if choosing them did not add substantially to contract costs. As an example, he said, if two companies each bid \$10 million for a contract, and one had considerably better wages and pensions than the other, that company would be favored.

Some supporters of the new procurement policy — and even some opponents — say Mr. Obama could impose it through executive order. They assert that the president has broad powers to issue procurement regulations, just as President John Kennedy did in requiring federal contractors to have companywide equal employment opportunity plans.

But some opponents argue that legislation would be needed because an executive order may collide with laws that require federal contractors to pay the prevailing regional wage for the type of work being done. The executive order, they fear, would call for higher wages.

Steven Greenhouse, emphasis added

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Union News



AFL-CIO News service (graphic(s) added

Whirlpool Warns Workers to Skip Friday Rally: In an internal newsletter at Whirlpool Corp.'s Evansville, Ind., plant, Paul Coburn, vice president of Whirlpool's Evansville Division, says the decision to close the plant and kill 1,100 jobs will not be reconsidered and warns workers about attending a rally protesting the shutdown: *...these negative activities will only ham-per employees when they look for future jobs....We fear that potential employers will view the actions of a few and determine whether they would want to hire any of Evansville Division employees in the future.*



Ohio Workers Demand Good Jobs Now : More than 100 working people marched from to the state capitol in Columbus, Ohio, yesterday to call on lawmakers to focus on creating jobs and making Wall Street pay for the economic crisis it created. They sent the message that it is time to help working people and put Main Street back to work. Marchers chanted "Good jobs now, make Wall Street pay," and carried signs saying, "Dear Wall Street: you destroyed millions of jobs. Fix your mess." At the rally, sponsored by the AFL-CIO's community affiliate Working America, speakers said Congress and the White House must take serious and immediate action to invest in jobs. Ohio AFL-CIO President Joe Rugola said corporations and Wall Street executives have destroyed working people's jobs. He said it is up to working people to hold our elected officials accountable to create a new economy that works for working families. Working America's Regional Director Dan Heck said: *Ohio working people have been slaughtered by a bad economy, bad decisions made by the last administration and Wall Street greed. Working people are saying 'no more' and marched today to call attention to how bad things are for Main Street.*

Breaking: IUE-CWA Files Charges Against Whirlpool: IUE-CWA Local 808 today filed an unfair labor practice charge with the National Labor Relations Board (NLRB) against Whirlpool, alleging the company interfered with workers' rights by threatening employees if they participate in a rally tomorrow to protest a plant closing. Whirlpool announced it is closing the Evansville, Ind., refrigerator plant, laying off 1,100 workers and sending jobs to Mexico. The charge stems from a memo by Paul Coburn, vice president for Whirlpool's Evansville Division, warning workers not to participate in a march and rally tomorrow to save their jobs. Coburn's memo, contained in an internal company newsletter, said employers in the future might not be willing to hire workers who participate. AFL-CIO President Richard Trumka, who will speak at the rally tomorrow, said: *Whirlpool has taken the war against American workers to a new level by threatening to blacklist people who speak up. They don't just want your job, they want your first amendment rights, too.*



L.A. Unions Send Caravan of Food, Hope to Locked-Out Rio Tinto Miners: Several hundred Southern California union members rallied at a Dodger Stadium parking lot yesterday before sending off a caravan carrying more than \$30,000 worth of food and other supplies for locked-out borax miners at Rio Tinto's Boron, Calif., mine. The mine is about 90 miles northeast of Los Angeles. The caravan was organized by the Los Angeles County Federation of Labor to support the nearly 600 members of International Longshore and Warehouse Union (ILWU) Local 30 who are fighting the international mining conglomerate's move to outsource jobs, convert full-time jobs to part-time temporary work, slash retirement benefits and gut grievance protections and other workplace rules. Last month the workers rejected the contract offer and Rio Tinto

locked them out Jan. 31. Locked-out miner Randy Laursen told the rally: *You know we got big corporations trying to push all the laborers out, make nothing....This is America. We all have a right to make a decent living.*

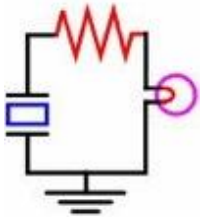
Umps Make Right Call, Vote for OPEIU Affiliation: No arguing with the umpire on this call. The 215-member Association of Minor League Umpires (AMLU) voted by 91 percent to affiliate with the Office and Professional Employees (OPEIU). AMLU President Shaun Francis says the umpires' decision: *"is the next step in a progression toward improving the lives and working conditions of some of the hardest working and most underappreciated people in the game."* *The life of a minor league umpire is difficult, with low pay, no vacation or sick time and no ability to return home during the long season, which lasts from spring training in March to mid to late September. Salary for a minor league umpire starts at \$1,800 per month and is only paid during the season, forcing the umpires to work a second or third job during the off-season.*

Whirlpool Exec's Letter Strengthens Workers' Resolve: Whirlpool executive Paul Coburn's memo warning Whirlpool workers not to participate in a rally tomorrow to save their jobs has only made the workers more determined than ever to fight the company's decision to lay off 1,100 workers and send jobs to Mexico when U.S. unemployment is at its highest level in decades. The reaction to his "open letter," contained in an internal newsletter, has been quick and strong. It also has put a national spotlight on the practice of many employers to cut costs and raise profits by moving jobs offshore without regard for the communities and workers they leave behind. Show solidarity with the Whirlpool workers, 900 of whom are members of IUE-CWA Local 808, by signing an online petition urging Whirlpool to reverse its decision and Keep It Made in America: Save Our Jobs. [Click here](#) to add your name to the nearly 40,000 who already have signed the petition. More than 630 people commented on the story about Coburn's letter on the Huffington Post, many condemning Coburn for trying to stifle dissent and for moving good jobs out of the country. Many cited the \$20 million in federal economic recovery money Whirlpool received and the boost in sales from the government's push for energy-efficient appliances.

Firing of Central Falls, R.I., Teachers 'Illegal, Unjust, Disgraceful' : In the middle of the worst jobs crisis since the Great Depression, more than 90 dedicated professional educators find themselves put out into the street. On February 23rd, the Central Falls, R.I., school trustees fired the entire teaching staff of Central Falls High School, supposedly because of declining test scores at the school, which is located in Rhode Island's smallest and poorest city. In all, 93 persons were put in the street—74 classroom teachers, plus reading specialists, guidance counselors, physical education teachers, the school psychologist, the principal and three assistant principals. Negotiations over ways to improve the school between teachers and the school superintendent broke down when school officials insisted that teachers add new duties, some without any extra pay at all.

Senate OKs Jobs Bill: Reid Promises More on the Way, Including UI Extension: The U.S. Senate last week (70-28) a jobs bill that Senate Majority Leader Harry Reid (D-Nev.) promises "is not the only jobs bill or the last jobs bill we will bring to the floor." The next step likely will be a 30-day extension of unemployment insurance (UI) benefits and COBRA health care subsidies for unemployed workers. Both jobless aid programs are set to expire February 28th, and in March alone, 1.2 million people will lose their UI lifeline and health care unless Congress acts. But with long-term unemployment continuing to rise (currently at an all-time high of 40 percent of all unemployed) the program needs to be extended for at least one year, economists say. Reid says the 30-day measure is a stop-gap while congressional negotiators try to develop a longer-term solution. [Click here](#) to tell your senators to act now.

Safety First?



Electric Bathtub Blues: The singer Claude Francois, whose stellar career can be compared to that of Elvis Presley, popularized rock and roll music in France. One evening, he returned to his Paris apartment from a busy touring schedule, and ran a bath. While standing in the filled tub, he noticed a light bulb that wasn't straight, tried to straighten it... and was electrocuted.

Muffled Explosion: An embarrassed and seriously injured 17-year-old initially claimed that an explosive had been planted in his backpack by persons unknown. However, police investigators soon extracted the truth from the feckless teen.

He found an M-80 explosive at his grandmother's house, took it to his room to examine it, and began to repeatedly light and extinguish the fuse. During one of these cycles the fuse would not go out, so he jammed the red cardboard tube between his thighs and covered it with his hand to muffle the explosion. This plan was less successful than he had hoped.



Commonly thought to be a quarter stick of dynamite, M80's (according to pyrouniverse.com) actually contain flash powder rather than TNT, and only 1/50 the amount--just under 3 grams. Used by the U.S. Military to simulate grenade explosions, M80's were outlawed in 1966 under the Child Protection Act.

They are not safe enough to be detonated by the average man on the average street, let alone by the average 17-year-old. One loud KABOOM! later, our junior pyrotechnics specialist had lost his right hand, right leg, and--very likely--his right to reproduce, earning him a living Darwin Award.

* As always, our regrets to the boy and his family.



Glacier Erasure: In the late fall and early winter months, snow-covered mountains become infested with hunters. One ambitious pair climbed high up a mountain in search of their quarry. The trail crossed a small glacier that had crusted over. The lead hunter had to stomp a foot-hold in the snow, one step at a time, in order to cross the glacier.

Somewhere near the middle of the glacier, his next stomp hit not snow but a rock. The lead hunter lost his footing and fell. Down the crusty glacier he zipped, off the edge and out of sight.

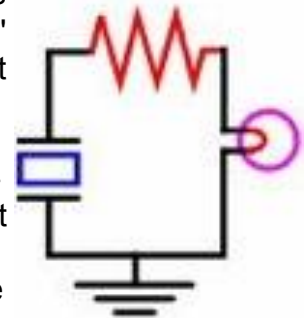
Unable to help, his companion watched him slide away. After a while, he shouted out, "Are you OK?" "Yes!" came the answer.

Reasoning that it was a quick way off the glacier, the second hunter plopped down and accelerated down the ice, following his friend. There, just over the edge of the glacier, was his friend...holding onto the top of a tree that barely protruded from the snow.

There were no other treetops nearby, nothing to grab, nothing but a hundred-foot drop onto the rocks below. As the second hunter shot past the first, he uttered his final epitaph: a single word, which we may not utter lest our mothers soap our mouths.

Shockingly Conductive: When I was in aviation electronics school in the service, my instructor began his class on 'Insulators' with this observation: "Wood is a non-conductor, right? Well don't you believe it!"

He had purchased an acre of property that was covered in fast-growing poplar trees, each about five inches thick and twenty feet tall. Axe in hand, he set out to clear the yard. His wife expressed concern about the high voltage power lines that passed along the edge of the lot, but he assured her that there was nothing to worry about. Wood is non-conductive.



A few minutes later one of his "mighty blows" felled a tree, which toppled directly onto the power lines. He stood there transfixed as the blue electricity snaked down the tree trunk and up the axe handle, and blew him twenty feet across the yard. Fortunately his wife and daughter witnessed the event and rushed him to the hospital, where he was treated for third degree burns on palms and soles, where the electricity entered and exited his body. He stayed in the hospital for two weeks, until his arms quit shaking uncontrollably.

Wood is non-conductive, right? Don't you believe it!