



Congressional Legislative Alert

January 29, 2004

Greetings:

This is a summary of the priority legislative issues facing the UAW and other industrial unions. UAW activists should focus their lobbying efforts on these key issues.

1. **Overtime.** The Bush Labor Department is continuing to push ahead with proposed regulations that would deprive over 8 million workers of their federal overtime rights. These anti-worker regulations are scheduled to be finalized in March, 2004! Last year a majority in the House and Senate supported the Harkin amendment that would have stopped the Labor Department from taking away workers' overtime rights. But in response to pressure from the White House, GOP Congressional leaders dropped the Harkin amendment from the omnibus appropriations bill. Senator Harkin has vowed to offer his overtime protection amendment to other bills that will be coming up. **Please urge Representatives and Senators to support the Harkin amendment to stop the Labor Department from proceeding with the regulations that would take away workers' overtime rights!**

2. **Employee Free Choice Act (EFCA).** Senator Ted Kennedy and Representative George Miller have introduced the Employee Free Choice Act (EFCA) (S. 1925; H.R. 3619) to restore the right of workers to organize and bargain collectively, free from employer intimidation and coercion. This legislation would require employers to recognize unions based on card-check recognition. It would also provide for mediation and arbitration in first contract situations, and increase penalties on employers that violate workers' rights to organize. **Please urge Representatives and Senators to cosponsor and support the Employee Free Choice Act!**

3. **U.S.-Thailand Free Trade Agreement.** The Bush Administration has announced its intention to negotiate a free trade agreement with Thailand. Significantly, Thailand is the second leading producer of pickups in the world, with production soon approaching one million annually. The U.S. currently imposes a 25% tariff on imported pickup trucks. If this tariff were reduced or eliminated in a U.S.-Thailand Free Trade Agreement, the U.S. could be flooded with imported Thai pickup trucks. This would directly threaten the jobs of about 20,000 UAW members who work in plants that assemble pickup trucks, as well as thousands of other UAW members and other American workers who are employed in engine, transmission, stamping and other plants that produce parts for pickup trucks. **Please urge Representatives and Senators to oppose any reduction or elimination of the 25% tariff on imported pickup trucks, and to tell U.S. trade negotiators not to tamper with this tariff in any trade deal with Thailand!**

4. **Tax Incentives for Domestic Manufacturing.** The European Community is threatening to impose trade sanctions against the U.S. unless Congress approves legislation changing our Foreign Sales Corporation (FSC) tax provisions that have been held to be illegal subsidies by the World Trade Organization (WTO). As a result, there is tremendous pressure on Congress to act quickly to pass legislation to replace the FSC tax provisions. The UAW and other unions are

supporting the Rangel-Crane bill (H.R. 1763) that would provide tax incentives for domestic manufacturing. We strongly oppose the Thomas bill (H.R. 2896) and the foreign tax provisions in the Grassley-Baucus bill (S. 1637), which would both create additional tax breaks for the overseas operations of multi-national firms. **Please urge Representatives and Senators to oppose any FSC reforms that encourage the shift of more U.S. jobs overseas, and instead to replace the FSC provisions with tax incentives that help U.S. manufacturers create jobs for American workers and cope with retiree health and pension costs.**

5. **Medicare Rx.** Last year Congress passed and President Bush signed into law legislation establishing a Medicare prescription drug program for seniors. Unfortunately, this new law contains many serious problems. It discriminates against retirees who previously were receiving Rx coverage from their employer by giving them fewer benefits than other retirees, thereby creating an incentive for employers to drop their retiree Rx coverage. It also contains a skimpy benefit package that will force seniors to shoulder heavy out-of-pocket costs for prescription drugs. It does not include any provisions to contain escalating Rx prices. And it takes steps to privatize the basic Medicare program. **Please urge Representatives and Senators to support legislation to repeal and replace these bad provisions in the new Medicare Rx law!**

6. **Retiree Health "Legacy" Costs.** Many older manufacturing companies, including the Big Three auto companies, as well as major auto parts and agricultural implement companies, provide health care benefits to large numbers of retirees. This puts these companies at a competitive disadvantage with newer manufacturing firms that have few retirees, and with companies in foreign nations that have national health care programs that spread health care costs across the entire society. This competitive imbalance has led to cutbacks in health care coverage for thousands of retirees. It has also led to layoffs, plant closings and even bankruptcies. **Please urge Representatives and Senators to support legislation that will guarantee health care coverage for retirees, and create a more equitable way to finance these benefits in order to establish a level playing field among all companies.**

7. **Buy American.** Existing Buy American requirements contain numerous loopholes and can easily be waived by federal agencies. As a result, all too often federal funds are used to purchase goods and services produced overseas, instead of supporting American jobs. This is especially hurting our defense industrial base, thereby threatening our national security. **Please urge Representatives and Senators to support measures that will strengthen our Buy American laws, both for defense programs and federal procurement generally.**

8. **Federal Election Day Holiday.** Major UAW contracts have given our members a holiday on federal election days. To make it easier for working men and women to participate in elections, we believe that all workers should be given this holiday. **Please urge Representatives and Senators to cosponsor and support the Democracy Day Act (S. 726; H.R. 1508), which would give federal workers a holiday on federal election days, and also encourage private employers to give their workers this holiday.**