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# Label Letter

Union Label & Service Trades Department, AFL-CIO

## NLRB EXAMINING 'FAIR SHARE' FEE POLICIES IN RIGHT- TO-WORK STATES

Calls For Scholars' Input  
On Whether Unions Should  
Be Able To Charge Fees

**O**n April 15, 2015 the National Labor Relations Board (NLRB) called for legal briefs from labor scholars to examine state right-to-work laws and whether unions should be permitted to charge non-members a fee for processing grievances.

The request stems from a March 2014 decision by Administrative Law Judge (ALJ) William Nelson Cates, who found that the United Steelworkers (USW) violated Section 8(b)(1)(A) of the National Labor Relations Act. ALJ Cates ruled that the USW's "Fair Share Policy," requiring non-member employees in a bargaining unit to pay a grievance fee, violated that protection, according to the NLRB.

USW appealed the ruling to the NLRB panel and asked the board to adopt a rule allowing it to charge the fee, under the condition that the fee doesn't exceed the amount a union could charge non-member objectors under precedential decisions on the matter.

The board is now asking outside parties to weigh in on two questions.

First, whether it should reconsider its earlier rule that in the absence of a valid union security clause, a union may not charge the fees at issue. And

## LOCALIZED DISEMPOWERMENT:

THE MOVEMENT TO IMPLEMENT RIGHT-TO-WORK 'ZONES'

**E**fforts to create local "right-to-work" zones would have negative impacts on workers and state economies, according to a new report by the Illinois Economic Policy Institute (ILEPI) and the University of Illinois at Urbana-Champaign. The report, *The Impact of Local "Right-to-Work" Zones: Predicting Outcomes for Workers, the Economy, and Tax Revenues in Illinois*, investigates the effects of adopting local "right-to-work" zones in Illinois, testing claims made by proponents of the ordinances.

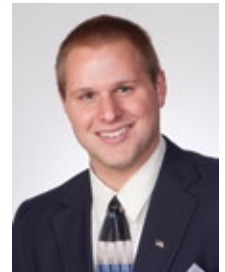
Today, 25 states have adopted a "right-to-work" law (also called a "free-rider law"). However, in states where efforts to pass right-to-work have been pushed back by voters, a new strategy has emerged. Led by the American Legislative Exchange Council, the Heritage Foundation, and other conservative groups, five counties in Kentucky adopted local right-to-work ordinances in 2014, pre-empting Kentucky state law. In addition, new Illinois Governor Bruce Rauner has proposed permitting local right-to-work ordinances in the state.

The proposal for local right-to-work zones is based on the testable assumption that high union density hampers local economies. An analysis of economic data from the 102 counties in Illinois, however, finds that this presupposition is unfounded. The unionization rate is not correlated with employment growth, business openings growth, and household income growth in a given Illinois county. That is, a decrease in unionization would have no statistical impact on these outcomes.

The evidence that unionization raises unemployment is also weak. The unemployment rate in eastern Illinois counties is lower than in the right-

to-work counties directly across the Indiana border. In December 2014, Illinois counties that "touched" Indiana experienced an unemployment rate of 5.7 percent while their counterparts in Indiana faced a 7.6 percent unemployment rate. Evidence does not support the claim that local right-to-work zones would be an effective way to put people to work.

The evidence is conclusive, however, in demonstrating that worker incomes are lower in economies with right-to-work laws. On average, right-to-work laws have been found to reduce wages by about 3 percent, reduce the share of workers covered by a pension plan at work, and increase the number of workers living below the poverty line. However, while these impacts increase the number of workers receiving government assistance through programs such as food stamps and the Earned Income Tax Credit, proprietor income increases in right-to-work areas. Thus,



By Frank Manzo IV,  
Policy Director, Illinois  
Economic Policy Institute

# WALK IN MY SHOES

**Joli Tokusato**

**HOTEL WORKER, UNITE HERE LOCAL 5, HAWAII**

**A**loha! I've been a hotel worker and UNITE HERE Local 5 member for 24 years. I'm NOT a politician and I never dreamed of running for office, but I did it!

When I was first asked to run for a seat on the Honolulu City Council, my first thought was, "That's crazy!" I'm not a politician! I don't look or talk like them. I get my hair done at Supercuts and drive an old Ford. I'm not "connected," I don't have a fancy degree, and I definitely don't have money.

But I thought about it. Why not me? I'm definitely more of a LEADER than they are.

While our politicians bend over backwards for developers who come to

"invest" in our islands, I've been organizing and fighting for good jobs at my hotel, the Ilikai, and in the community. Honolulu has become a town run by corporations and developers who have no aloha for the local community.

So I ran. We got nearly 20% of the voters in my district. Not enough to win outright, but enough to demonstrate that a worker like me can run a viable campaign and force the politicians and the media to take notice.

We knocked on over 30,000 doors, and 5,000 voters joined us in less than 40 days! We're on to something big. We are beginning to build a real worker movement. Hawai'i Can! ■



## American Labor Movement Donates Fasanella's "Corner Butcher" to Smithsonian



**F**ormer union organizer and famed artist Ralph Fasanella (1914-1997) painted hundreds of canvases depicting urban working life during the post World War II America. Fasanella was born in the Bronx and grew up in the working-class neighborhoods of New York. As an organizer he advocated for worker's rights. His passion for social justice showed through his colorful and vibrant paintings.

On May 18, 2015 the Labor Heritage Foundation's Fasanella Public Domain Project donated the "Corner Butcher," an iconic painting depicting the skilled union craftsman clad in a heavy flannel shirt and apron, with his Union Card hanging on the wall behind him. The Foundation donated the gift in memory of David Gelios, who rose from working as a butcher in an Ohio meatpacking plant to become chief officer of the UFCW Local 911.

The donation was made possible through labor union funding and the sale of "Corner Butcher" posters.

You can view the "Corner Butcher" and Fasanella's "Iceman Crucified" at the Smithsonian American Art Museum Folk Art Galleries. Posters can still be purchased through the Labor Heritage Foundation's Fasanella Public Domain Project website at <http://www.lawrencehistorycenter.org/fasanellaproject> for \$25.00 each, plus shipping and handling. ■



## SPOTLIGHT THE LABEL

### International Association of Heat and Frost Insulators and Allied Workers

**T**he International Association of Heat and Frost Insulators and Allied Workers is affiliated with the AFL-CIO and the Canadian Labour Congress. The Insulators represent nearly 30,000 workers in a variety of construction trades. Today's union insulator is skilled in the installation of mechanical insulation, fire stopping, asbestos and lead mitigation or abatement, sound attenuation and specialty fabrications required in custom mechanical insulation installations for commercial, industrial, medical, bio-technical, governmental and educational facilities among other customer types.

A journeyman insulator has completed a multi-year apprenticeship that includes classroom training and 1,600 hours of on-job-job training per year. ■



# 2015 Union Made OUTDOOR LIVING



## OUTDOOR PROTECTION

- Coppertone (USW)
- Bain De Soleil (USW)
- Chapstick (USW)
- Claritin (USW)
- Chlor-Trimeton (USW)

## LAWN MOWERS/ CONSTRUCTION/FARM EQUIPMENT

- John Deere 7000, 8000, 9000 series tractors (IAM and UAW)
- Amerequip Corporation (IAM)
- American Road Machinery Inc. (IAM)
- Ashland Industries (IAM)
- Beall Manufacturing (IAM)
- BLOK LOK (IAM)
- Bobcat of New York (IAM)
- CA Lawton Co. (IAM)
- Carmanah Design and Manufacturing (IAM)
- Catepillar (IAM)
- Eagle Iron Works (IAM)
- Edwards Equipment Co. (IAM)
- Gledhill Road Machinery (IAM)
- Gradall Industries (IAM)
- Greenlee Textron Co. (IAM)
- H and H Manufacturing (IAM)
- MB Companies (IAM)

- Manitowoc Cranes (IAM)
- Markey Machinery Co. (IAM)
- Meyer Products (IAM)
- Pierce Pacific Manufacturing (IAM)
- Superior Lidgerwood Mundy Corp (IAM)
- Toro (IAM)
- Briggs and Stratton Corp (USW)
- Bonanza Fertilizer (UFCW)
- Lawn Boy (UAW)
- Asplundh Tree Experts (IBEW)
- Architectural Plywood Inc. (CWA)
- VIM Fertilizer (UFCW)
- SK Hand Tool Corporation (IAM)
- Channellock Tools (IAM)

## SPORTING EQUIPMENT

- American Athletic (Russell) portable and stationary basketball backboards (UAW)
- Bell Sports (UFCW)
- BARE brand (USW)
- Standard Golf (IAM)
- Winchester Ammunition (IAM)
- Savage Arms (IAM)
- Doughboy Pools (PACE)
- Aqua Chem pool care products (UFCW)
- Swimline Water Sports (IBEW)
- Lifetimer Boats (IAM)
- Vic Francks Boat Co. (IAM)

- Mercury Marine Power (IAM)
- Harley Davidson (IAM)
- Champions Choice (UFCW)
- MacGregor (IBB)
- Louisville Slugger (UAW)
- Top Flite Golf Balls (IBB)

## OUTDOOR FURNITURE AND FIXTURES

- Klear-Vu chair pads /cushions (UNITE HERE)
- Stonco Outdoor Lighting (IBEW)
- Kim Lighting (IBEW)
- Architectural Area Lighting (IBEW)
- Richardson Seating Corp. (Chemical Workers and Novelty Workers)
- Algoma Net Company Hammocks (UFCW)
- Thermador (IBB)
- Weber Q Series Grill (Novelty Workers)

## AIR CONDITIONERS

- Trane Air Conditioning (IAM)







- 20. International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers (Ironworkers)
- 21. International Association of Fire Fighters (IAFF)
- 22. International Association of Heat and Frost Insulators and Allied Workers (AWIU)
- 23. International Association of Machinists and Aerospace Workers (IAM) Transportation Communications International Union/IAM (TCU/IAM)
- 24. International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers (IBB)
- 25. International Brotherhood of Electrical Workers (IBEW)
- 26. International Federation of Professional and Technical Engineers (IFPTE)
- 27. International Longshoremen's Association (ILA)
- 28. International Plate Printers, Die Stampers and Engravers Union of North America
- 29. International Union of Allied Novelty and Production Workers (Novelty and Production Workers)
- 30. International Union of Bricklayers and Allied Craftworkers (BAC)
- 31. International Union of Elevator Constructors (IUEC)
- 32. International Union of Operating Engineers (IUOE)
- 33. International Union of Painters and Allied Trades of the United States and Canada (IUPAT)
- 34. International Union of Police Associations (IUPA)
- 35. Laborers' International Union of North America (LiUNA)  
35a National Postal Mail Handlers Union (NPMHU)
- 36. Marine Engineers' Beneficial Association (MEBA) Professional Aviation Safety Specialists (PASS)
- 37. NFL Players Association (NFLPA)
- 38. National Air Traffic Controllers Association (NATCA)
- 39. National Association of Letter Carriers (NALC)
- 40. National Nurses United (NNU)
- 41. National Taxi Workers Alliance (NTWA)
- 42. Office and Professional Employees International Union (OPEIU)
- 43. Operative Plasterers' and Cement Masons' International Association of the United States and Canada (OPCMIA)
- 44. Screen Actors Guild-American Federation of Television and Radio Artists (SAG-AFTRA)
- 45. Seafarers International Union of North America (SIU)
- 46. International Association of Sheet Metal, Air, Rail and Transportation Workers (SMART)
- 47. Transport Workers Union of America (TWU)
- 48. UNITE HERE
- 49. United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada (UA)
- 50. United Automobile, Aerospace & Agricultural Implement Workers of America International Union (UAW)
- 51. United Food and Commercial Workers International Union (UFCW)
- 52. United Mine Workers of America (UMWA)
- 53. United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial & Service Workers International Union (USW)
- 54. United Union of Roofers, Waterproofers and Allied Workers (Roofers and Waterproofers)
- 55. Utility Workers Union of America (UWUA)
- 56. Writers Guild of America, East Inc. (WGAE)

**Affiliated Trade and Industrial Departments**

- I. Building and Construction Trades Department
- II. Maritime Trades Department
- III. Metal Trades Department
- IV. Department for Professional Employees
- V. Transportation Trades Department
- VI. Union Label and Service Trades Department

Updated 4/2015



right-to-work is mainly a transfer of income from both employees and taxpayers to owners.

Incorporating estimates from previous research, we perform “economic impact analyses” to predict the effect of adopting local right-to-work laws in 51 of Illinois’ counties, excluding Cook County. Half of Illinois’ counties were randomly selected to become right-to-work zones in order to provide a robust scenario that demonstrates the negative consequences of the proposal. In Illinois, if half of the state’s counties (excluding Cook County) became right-to-work zones:

- Total labor income would fall by \$1.3 billion;
- The economy would shrink by \$1.5 billion;
- State and local tax revenues would be reduced by \$80 million;
- Labor unions would experience a loss of 200,000 members, a one-fifth decline in total membership;
- Racial income inequality and gender income inequality would both increase; and
- The number of workplace injuries and fatalities would rise.

In the seven integrated county economies with over 100,000 workers in Illinois, predicted impacts are generally similar. If local right-to-work zones were only passed in the Chicago six-county area, the regional economy would experience over 5,500 jobs lost and an economic contraction of \$2.6 billion. Both businesses and workers would relocate to other parts of the state with better incomes and higher consumer demand. Similarly, local right-to-work laws would reduce total earnings in the Champaign-Urbana, Peoria-Bloomington, Quad Cities, Rockford, Springfield-Decatur, and St. Louis regions. Local right-to-work zones would eradicate good middle-class jobs, replacing them with low-wage employment openings and redistributing income from labor to capital.

The report concludes that local right-to-work zones would weaken the Illinois economy, but the movement for these ordinances has spread across the

country. There has been a politically motivated playbook for elected officials who seek less influence for unions, less bargaining power for workers, and more wealth for the wealthy. First, collective bargaining rights are stripped from workers in state government with the stated goal of repairing public budgets on the backs of teachers and working families. Then, prevailing wages for public construction projects are weakened or repealed based on the unsubstantiated claim that lower labor costs will translate into lower costs for taxpayers, with no thought given as to how paying skilled construction workers less might affect worker productivity. Concurrently, right-to-work laws are introduced with the promise that they are “surefire” boosts to the economy. This playbook has especially been followed in Midwestern states.

Even if right-to-work advocates cannot “score,” the playbook calls for staying on the offensive. Efforts to create local right-to-work zones at the city or county level are likely to arise in any state that thwarts full-scale implementation, despite the Kentucky and Illinois Attorney Generals both issuing opinions that local right-to-work ordinances are illegal under federal law. The result of this fight will be substantial legal costs that will ultimately fall on taxpayers.

Martin Luther King Jr. once gave the keynote address at the Illinois AFL-CIO Convention. He was unconditional in noting that the “labor movement was the principal force that transformed misery and despair into hope and progress.” Despite the good that unions had done,

the leader of the civil rights movement scolded the nation by adding that, “it is a mark of our intellectual backwardness that these monumental achievements of labor are still only dimly seen.” Today, the achievements of labor are not only unseen, they are being undone. And local right-to-work proposals are a continuation of efforts to reverse the gains won by labor.

“The labor movement was the principal force that transformed misery and despair into hope and progress.”

Ultimately, economic analysis reveals that local right-to-work laws would empower wealthy employers at the expense of employees, the middle class, and the taxpayer. Local right-to-work regulations would lower worker earnings and reduce state and local tax revenues. The result would be weaker state economies across America.

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**NLRB EXAMINING** *Continued from page 1*

second, should it adhere to or overrule its 1976 decision in *Machinists, Local Union No. 697 (H.O. Canfield Rubber Co.)*, and subsequent rulings that deal with the same issue.

In examining the case the board is looking to determine if such fees were held lawful in principle, what factors they should consider to determine whether the amount of such fees violates the National Labor Relation Act. And, as an extension,

what actions a union can lawfully take to ensure payment.

Interested parties have until June 1, to submit briefs.

Critics were quick to condemn the request, saying the federal agency was biased towards organized labor. Senate labor committee chair, Republican Lamar Alexander, vowed to “fight any effort by the NLRB to force workers to support a union and undermine state right-to-work laws.” ■

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TIME VALUE

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# EndNotes

By Rich Kline, *President, UL&STD*



## Label Letter

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## RIGHT-TO-WORK IS WRONG



We are living in a time of crisis. Almost half of working people don't earn a living wage. The problem of big banks, which are deemed too big to fail, indemnifies risky financial policies. Legislative lapdogs work to benefit corporations that fund their campaigns. The very richest Americans gerrymander the tax code. The money supplied to compliant officeholders and office seekers by the moneyed interests perverts our political system. Yet we look askance at other countries we say are under the sway of oligarchs.

You want to see oligarchs. We have plenty right here and they know how to get what they want.

One of the things they want is to extend the realm of the so-called right-to-work law to the half of the states that don't have

them. They want low wage at-will workers without a voice in the workplace. They want workers who don't have a grievance procedure or a claim to workplace dignity. And they sure don't want workers to have the right to strike, the last resort of an underpaid, mistreated workforce.

Everything we cite about the benefits of union membership is an affront, a threat, to the one percent, the richest, the oligarchs of business, banks, Wall Street, real estate, pharmaceuticals, insurance and the rest of the corporate-industrial complex.

Union members earn more, have healthcare, have a grievance procedure, have health and safety protections that workers in non-union workplaces don't have.

Unfortunately, those benefits are enjoyed even when a worker chooses not to join a union at his place of work. Despite non-member status, the union is required to represent the non-member, the freeloader, the non-dues paying worker. Attempts to charge a fair share or to pay costs of

specific union services have previously been forbidden. But now the National Labor Relations Board is reviewing this unfairness. Non-members who enjoy contractual benefits, such as negotiated wages and grievance representation, without paying a fair share are guilty of theft of services. The NLRB can rectify this wrong.

Right-to-work is a travesty. But the NLRB can reduce the harm it does. ■

### CONDEMNED BY THEIR OWN WORDS

"We're not purporting to prove that right-to-work produces superior economic performance."

—Stanley Greer, *National Right-to-Work Committee Spokesman*