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# Label Letter

Union Label & Service Trades Department, AFL-CIO

## BURGER KING INVERSION

In a whopper of a deal, Burger King may be the latest American company to employ the tax inversion.

**T**ax inversion, or corporate inversion, is the relocation of a corporation's headquarters to a country with a lower tax rate while retaining its material operations in its higher-tax country of origin.

Burger King is reportedly in talks to buy the Canadian based coffee and donut chain Tim Hortons, a deal that would create the third-largest fast food restaurant company in the world, with roughly \$22 billion in sales. Canada has a corporate tax rate of 15 percent, while the top U.S. corporate marginal tax rate is 35 percent.

Inversion isn't a new idea, but it has become more popular in recent years. Since 2013, nearly 20 companies have or are in the process of completing a merger with a foreign

corporation to avoid paying taxes to cover their fair share of usage of public services.

In July, President Obama questioned the patriotism of inverted companies, calling them "corporate deserters" who are abandoning their country "just to get out of paying their fair share of taxes. ...My attitude is, I don't care if it's legal. It's wrong."

Democratic Sens. Elizabeth Warren (Mass.), Richard J. Durbin (Ill.) and Jack Reed (R.I.) have since urged Obama to "use your authority to reduce or eliminate tax breaks associated with inversions."

This summer Walgreens announced plans to merge with European pharmacy retailer and wholesaler Alliance Boots to form a new company Walgreens Boots Alliance that was

expected to see the company headquartered overseas in either the United Kingdom or Switzerland. Those reports were met with public backlash and calls for a boycott. Company CEO Greg Wasson later said that public response to the idea of Walgreens reincorporating outside the U.S. played a role in its decision to remain stateside.

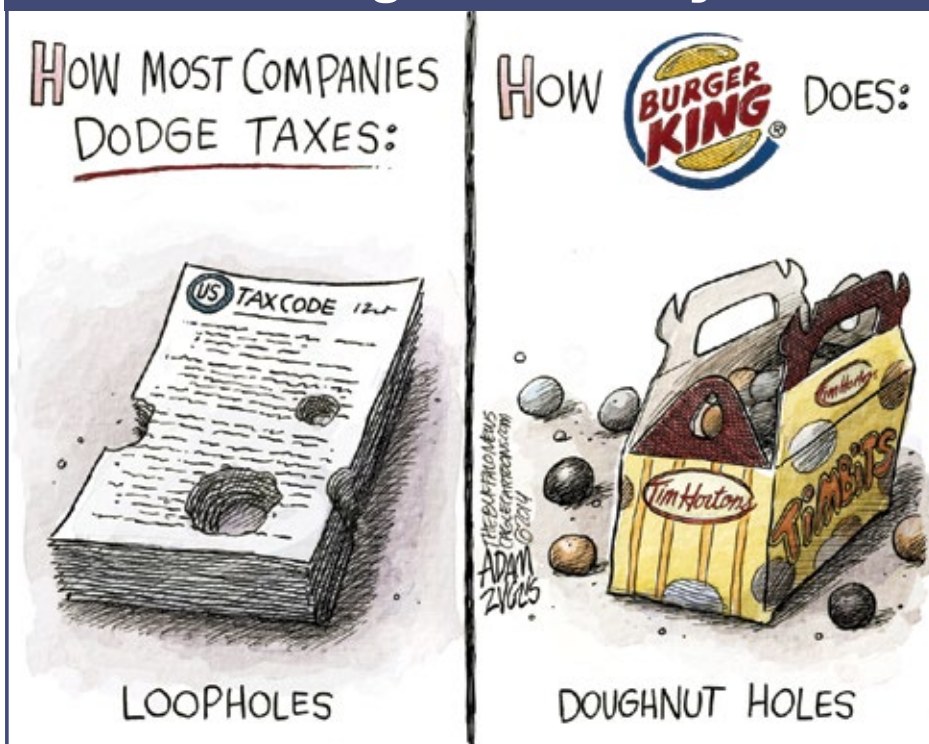
Similar public sentiment has come about since Burger King announced its merger in August. With Facebook users leaving messages threatening "if you become a tax cheat you can count on my family of seven as former customers," among other comments.

Treasury Secretary Jack Lew has been examining ways the Administration can deter companies from fleeing the U.S. for lower tax nations and in September took steps to curb the process. Acting on behalf of the Administration the Treasury Department enacted new rules on Inversion. Under the new rules, inverted companies would no longer be able to take advantage of "hopscotch loans," a maneuver aimed at giving them tax-free access to cash earned abroad. The rules would also make it more difficult for U.S. firms to invert in the first place. Strengthening rules that require the former owners of the U.S. company own less than 80 percent of the new, foreign entity.

Treasury officials say that additional regulations may be forthcoming, including provisions aimed at preventing inverted firms from shifting a portion of their U.S. profits to foreign, low-tax jurisdictions.

Sen. Bernie Sanders (I-Ver.) spoke out after the Burger King merger was announced saying that corporate inversion "shows the disdain that corporations have for the American public."

### Having it their way



Continued on page 4 ►



# THANKSGIVING

## SET THE TABLE

- Homer Laughlin China (GMP)
- Fiestaware (GMP)
- All-Clad (USW)
- Anchor Hocking (GMP)
- Libbey Glassware (USW and GMP)
- Claus Knives (USW)
- Pyrex (USW)
- Corning Ware (USW)
- Bennington Potters (UNITE HERE)
- Klear Vu chair pads (UNITE HERE)

## FOR THE FEAST

### Fresh Whole Turkey

- Butterball (UFCW)
- Foster Farms (UFCW)

### Stuffing

- Manischewitz (UFCW)
- Strohmann Bakery Products (BCTGM)

### Cranberries / Cranberry Sauce

- Ocean Spray (IAMAW)

### Vegetables

- Andy Boy (UFW)
- Muranka (UFW)
- Eurofresh (UFCW)
- Birds Eye (UFCW)
- Mann's (UFCW)
- Sunripe Produce (UFCW)

### Bread

- Pillsbury rolls (BCTGM)
- Aunt Millie's bread products (UFCW)

### Pie

- Entenmann's (BCTGM)
- Marie Callender's (UFCW)
- Pillsbury Pie Crust (BCTGM)
- Sara Lee (BCTGM)
- Banquet Fruit Pies (UFCW)

Many products are made both in the USA and abroad. As with all of our do buy lists, check the packaging to ensure the product you are purchasing is union-made-in-the-USA.

## RECIPE

From the kitchen of:

### All Union-Made Green Bean Casserole



2 cans (10 3/4 ounces each) Campbell's® Condensed Cream of Mushroom Soup (Regular, 98% Fat Free or Healthy Request®)

1 cup Horizon milk

2 teaspoons LaChoy soy sauce

1/4 teaspoon Durkee ground black pepper

8 cups Birds Eye cooked cut green beans

2 2/3 cups French's® French Fried Onions

# WALK IN MY SHOES

## Steve Snyder

PLUMBERS AND STEAMFITTERS, LOCAL 157



**E**ducation was the driving force for me to enter the Plumbers and Steamfitters Local 157 five-year Apprenticeship Program. Knowing it was an opportunity that would open doors to countless facets of the trade. As the years passed, I went out of my way to learn as much as possible in the field and in the classroom. Having high regards for the Instructors and Building Trades Journeymen that I worked with, for their capacity to teach the trade both on and off the job. Without their dedication and professionalism, this opportunity would have a lot less meaning.

It wasn't long after I finished my apprenticeship that the opportunity to give back to my Local Union was made available. I was approached by our Local Training Director about becoming a part-time Instructor in our Apprenticeship Program. I jumped at the chance. The next ten years of my life would prove to be the

most rewarding and challenging of times. Along with doors opening up in the Trade as a pipefitter, I found a passion in teaching that enhanced the quality of my life both financially and personally. I was able to attend the annual United Associations Instructor Training Program, held in Ann Arbor, Michigan. There I learned trade teaching techniques that increased my effectiveness in the classrooms, along with state of the art products and processes related to my trade. Being able to retain and deliver this knowledge to the apprentices in class and in the field, and watch them grow professionally and personally as I did in my apprenticeship, is by far the best reward I have ever received.

It wasn't long before opportunity knocked again, this time in the form of a Field Representative's position in Local 157's Business Operations, and once again I jumped at the chance for a new

challenge. Some of my duties include contractor and Member conflict resolution, contract interpretation, manpower dispatching, Steward assignment, community liaison, along with day-to-day interactions with our members. I and many of our members have been actively involved with the United Way, Clothe-A-Child Foundation, Habitat for Humanity, Prophets Town Farms, and the Tools for Schools program, as well as many other non-profit volunteer activities. Giving back to the community is a large part of my job description, and our Members consistently answer the call in the time of need. As this new assignment progresses, I look forward to all the new experiences and people I meet. I consider the years to come as another apprenticeship in which to serve and continue my professional education. It is great to be a part of the Plumbers and Steamfitters Local 157. ■

## What's your story?

**I**n 150 words or less—accompanied by a picture of you at work...Help us walk in your shoes. We're open to all union members, active, retired, laid off.

"We want rank and file members to help us to illustrate the rich, diverse tapestry of hard working men and women who make up the American labor movement. They are proud of their work and proud of the contributions they make to their communities,"

explains Union Label Department President Richard Kline. "We want to demonstrate to American consumers and businesses that union labor gives added value in quality and reliability to products and services that are bought and sold."

The pictures and stories we get will be published in the Label Letter and posted on the Department's website—and perhaps in posters and other promotional

materials. E-mail a Walk in Your Shoes to: [unionlabel@unionlabel.org](mailto:unionlabel@unionlabel.org); or send by regular mail to:

**Walk In My Shoes**  
c/o Union Label & Service Trades  
Dept. (AFL-CIO)  
815 16th St. NW  
Washington, DC 20005

## Spotlight the Label



**T**he Glass, Molders, Pottery, Plastics & Allied Workers (GMP) International Union is one of the oldest labor unions in America, with its origins dating back to 1842. Several mergers have since taken place and this growing union is now known as the GMP International Union.

The GMP represents thousands of workers in the glass, molders, plastics, pottery, cast metals, fiberglass, defense, fine china, glass and

plastic containers, insulation and sanitary-ware industries as well as workers in government, healthcare and a variety of other industries.

The GMP currently has well over 250 local unions throughout the United States and Canada. Members of these locals enjoy some of the best possible wages, benefits, workplace safety protections and retirement in their industries and their workplaces. ■



AFL-CIO President Richard Trumka calls corporate inversion a gaping, unpatriotic tax loophole. Saying that a 2004 law passed by Congress meant to prevent corporate inversions allows corporations to get around the law by merging with a foreign company.

In a July editorial in the *Huffington Post* Trumka wrote, “[T]he real problem is that many of these so-called U.S. corporations want to keep dictating our economic policies and dominating our politics, yet they

have less and less loyalty to the people who actually live and work in America. They want to keep benefiting from all the things our government does for them so they can make profits—our legal system to protect their investments and patents, our education and training system to train their workers, our transportation system to get their products to market, our federally sponsored research, our military—but they want the rest of us to front their share of the bill.”

The Obama administration has made the case for legislation that would retroactively strip the tax advantages away from many of the year’s biggest mergers and acquisitions.

Mark J. Mazur, the Treasury Department’s assistant secretary for tax policy, made the case that any new laws targeting inversions should be backdated to May 2014, potentially affecting a number of multibillion-dollar deals. ■

## WHAT DOES HARRIS V. QUINN MEAN FOR PUBLIC EMPLOYEES?

In late June, the U.S. Supreme Court issued a decision on home health care workers in the case *Harris v. Quinn* that poses a threat to the nation’s public sector labor unions. The Court ruled that home-care workers in Illinois couldn’t be forced to join or pay “fair share” dues to a union because they are not full-fledged public employees like police officers, fire fighters or teachers. The home care workers are considered “partial public employees,”

hired, fired and managed by their clients but paid by the state.

In arguing the case, the defense contended that since the state sets and pays the home care workers’ wages, defines the tasks they can perform and acts in other ways as their employers, then the state is the employer for the sake of collective bargaining. The Court disagreed.

For public sector unions, only one bright spot emerged from the deci-

sion. The Court chose not to address a 1977 ruling *Abood v. Detroit Board of Education* that upheld the legitimacy of public employee unions. The Court decided that *Abood* did not apply in this case.

University of California-Irvine Law Professor Rick Hasen says the Court’s ruling set “the groundwork for a broader conservative ruling [against *Abood*] in the future.” ■

# NLRB Round Up

**O**n June 26, 2014, the U.S. Supreme Court issued an opinion in *National Labor Relations Board v. Noel Canning*. The 9-0 decision upheld the earlier ruling by the U.S. Court of Appeals for the D.C. Circuit that the appointment of Board members Sharon Block, Richard Griffin and Terence Flynn was unconstitutional.

The Supreme Court's holding in *Noel Canning* means that the Board must revisit hundreds of decisions made from January 4, 2012 to August 5, 2013. And, threatened to reverse findings made by the Board during the time in question.

The Board regained a quorum on August 5, 2013. From January 4, 2012 to August 5, 2013, the Board acted on various matters including appointment of Regional Directors, Administrative Law Judges and restructurings of regional and headquarters offices. Ratifying these actions removes any question concerning their validity. In July,

the National Labor Relations Board unanimously ratified all administrative, personnel, and procurement matters taken by the Board from during the disputed time.

Since the August 4 announcement, the NLRB has ruled on several important cases. In New York City, the Regional Director for Region 2 directed an election to determine whether NYC Bike Share, LLC, employees will be represented by the Transportation Workers Union. The employer operates Citi Bike in New York, the nations largest bike sharing program. The union petitioned for a unit of all full-time, regular and part-time employees, including seasonal employees, at the three Manhattan and Brooklyn facilities.

In early August, the NLRB upheld an Administrative Law Judge's determination that an employer, Ralph's Grocery, violated the National Labor Relations Act by terminating an employee who refused to take a drug test before being allowed to speak to a union representative. Unsuccessful in

reaching a union representative by phone, the employee was terminated after he was told he could either take the test with a representative present, or he could refuse—which would be considered an automatic positive test and constitute cause for discharge. The employee refused and was immediately suspended and subsequently discharged.

The Board determined that the employee's termination was unlawful. In a majority ruling the Board found that the employee's "suspension and discharge were a direct result of his invocation of his Weingarten rights..." Weingarten rights ensure an employee's right to have union representation present at any time when he or she could be disciplined or terminated, or during any discussion that could affect the employees' personal working conditions.

This decision reaffirms the Board's high regard for an employee's Weingarten rights. ■

## Additional NLRB issues to watch

- In February 2014, the Board proposed new rules—originally proposed in 2011, but found to be procedurally defective—to shorten the time between petitions and union elections. A final decision will likely be issued by the end of the year.

- **Purple Communications, Inc.** In October 2013, an Administrative Law Judge, relying on an earlier decision in *NLRB v. Register Guard*, dismissed the allegation that the employer violated the NLRA by prohibiting use of its electronic equipment and email systems for activity unrelated to the employer's business purposes. In the *Register Guard* case the Board concluded that a Eugene, Ore.-based newspaper was within its rights in stipulating that its e-mail and other employee communications systems "are not to be used to proselytize for commercial ventures, religious or political causes, outside organizations, or other non-job-related

solicitations." The charging party, the **Communications Workers of America (CWA)**, have since asked the Board to overrule *Register Guard* and adopt a rule that employees who are permitted to use their employer's email for work purposes have the right to use it for Section 7 activity, subject only to the need to maintain production and discipline.

The Board invited filing of briefs from interested parties and interested amici by June 16, 2014. Since the briefing period has closed, a decision should be issued soon.

- The Department of Labor announced in November 2013, that it was seeking to amend the Labor-Management Reporting and Disclosure Act of 1959, specifically regulations pertaining to labor rela-

tions consultants hired by an employer to persuade employees about union activities. The Department has postponed publication of the amendment. Publication may be deferred until after mid-term elections in November.

- North-western University football players had ballots impounded after their April 25, 2014, union election. Those ballots are being held, pending a decision by the Board on the university's appeal of the Regional Director's finding the students are "employees" under the National Labor Relations Act. The Board's decision will not only affect the football players at Northwestern University but may also affect the Board's 2004 decision in *Brown University* where the board found that graduate students are not employees. ■



# General Motors to bring Cadillac SRX Crossover to Spring Hill Factory

Union Plant Will Manufacture Second Generation SRX



**G**eneral Motors Co. announced in late August that it would invest as much as \$185 million to build small engines at its Spring Hill, Tenn., factory and move production of its Cadillac SRX to the facility from Mexico.

The shift is part of the automaker's multiyear commitment to bring more work back to its unionized U.S. factories.

"GM's investment today is a huge testament to its confidence in Spring Hill's workers, and is a great example of the economic opportunities we've been able to create here in Tennessee as a result of the collective bargaining process," said UAW Vice President Cindy Estrada in a August 27 statement on the UAW's website. "Today's announcement is proof we can achieve great things when workers have a seat at the table and the chance to share their ideas for how to constantly improve the products we manufacture. It's great to see our union continue to grow,

but even greater to see how the people of Tennessee will benefit from these good jobs. I'm proud to stand here with UAW autoworkers and our colleagues from GM who worked together to make this huge victory for Spring Hill a reality."

The production of some 40,000 SRX vehicles will move to the former Saturn division facility late next year with the launch of the second generation SRX.

The move is expected to help retain the automaker's nearly 1,800 hourly jobs in Spring Hill. It is unclear if additional jobs will be added.

The company also plans to build new three- and four-cylinder engines at the Spring Hill plant. The engines are part of its Ecotec engine line that will be used by five GM brands in 27 models by the 2017 model year.

The plant currently makes some Chevrolet Equinox SUVs. The investment was part of a 2011 deal between the com-

pany and the UAW after the 2009 recession when the UAW agreed to concessions to help the company recover.

"I'm proud of our workers here in Spring Hill, and excited about these new investments that will allow us to continue growing and producing quality automobile parts here in Tennessee," said UAW Region 8 Director Ray Curry. "These expansions are a clear sign of the hard work and dedication of the members of UAW Local 1853 and the strong relationship the UAW and GM have built. When workers are allowed to have a seat at the collective bargaining table, we are best positioned to make quality products and bring more jobs into our communities."

On the same day as the Spring Hill announcement, UAW and GM also revealed that GM will invest \$48.4 million at the Bedford, Ind., Castings Plant for Small Displacement Ecotec Engine Program components, resulting in the creation or retention of approximately 45 jobs. ■



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# EndNotes

By Rich Kline, *President, UL&STD*

## Amend the Labor Law To Make It a Civil Right



**S**everal Democratic Congressmen are proposing a reion of the nation's labor law to make union organizing a civil right. The measure, the Employee

Empowerment Act, will face overwhelming opposing from the Republican dominated House of Representatives.

Even so, the proposal will point out the inadequacies of the current system in which cases languish, while employers obfuscate, delay and intimidate workers. The bill would allow workers to seek financial damages,

*FROM the BILL: "(n) In addition to filing a charge alleging an unfair labor practice with the Board in accordance with this Act, a person alleging an unfair labor practice by an employer in violation of section 8(a)(3) may, not later than 180 days after the date of such violation, bring a civil action in the appropriate district court of the United States against the employer for such violation. The court may grant any relief described in section 706(g) of the Civil Rights Act of 1964 (42 U.S.C. 2000e-5) or section 1977A(b) of the Revised Statutes of the United States (42 U.S.C. 1981a(b)), and may allow the prevailing party a reasonable attorney's fee (including expert witness fees) as part of the costs."*

punitive and compensatory, including legal fees in federal court.

The lead sponsor of the bill is Rep. Keith Ellison, D-MN, who says the proposed legislation would clearly impact employers guilty of intimidation. He says it would be a disincentive to employers' retaliation.

The anti-union busting proposal would, if ever enacted into law, give an employee the right to take his complaint to federal court within 180 days of filing it with the NLRB.

The idea behind the bill comes from a 2012 book entitled "Why Labor Organizing Should Be a Civil Right." It's authors point to shrinking union density in the economy's private sector as an indicator of the need for the proposed legislation. The bill was assigned to a Congressional committee on July 30, 2014. ■

*The bill would be a disincentive to employers' retaliation.*



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