

Card Check Rule Battle Starts to Really Heat ?

Wal-Mart Stock Downgraded as a Result Unionization Threat; Even Some Democrats Say Now is Not the Time; Targeting High Tech Manu-

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Will the Democratic-controlled US Congress and Obama Administration push ahead with plans to pass the so-called "card check" legislation that lets unions be organized in a workplace without a secret ballot amidst everything else on their plates?

The answer is likely yes, as the battle heats up on all sides and has an impact in some unexpected places.

Case in point: today a Wall Street analyst downgraded Wal-Mart's stock over concerns the law if passed might lead to unionization of the retail giant's store employees. Wal-Mart, a Citigroup analyst says, is especially threatened by the law if passed because it is the largest food retailer, a sector where unionization is the rule in most large chains.

The matter isn't just of interest to those following Wal-Mart's stock price. If Wal-Mart was ever to be unionized, changes in its cost structure and flexibility conceivably could change the market dynamics for other retailers and consumer goods suppliers.

Some believe the card check bill will be introduced in the House in a matter of just weeks, where it is expected to pass with the Democratic majority there.

Recently, the Obama administration indicated its support for the measure, as it also did during the presidential campaign. Last week, Obama sent a videotaped message to top union officials attending an AFL-CIO meeting in Miami indicating he would help labor pass the Employee Free Choice Act, as the card check bill is called.

Now, however, there appears to be some weakening in support in the Senate. The Wall Street Journal re-

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ports today that at least six Senators who voted to move the so-called card-check proposal forward for a vote, including one Republican, now say they are opposed or not sure.

If true, it would make it unlikely the Senate could overcome a filibuster of the measure, which requires 60 of the 100 Senate votes to end.

The economy is certainly a factor in some of the wavering. Some law makers and many business groups say passing what is generally perceived as a law that is unfriendly to business is the last thing needed given the US and global recession.

Business groups, meanwhile, are lobbying hard to prevent the bill's passage. They are working Capitol Hill hard, and have spent some \$30 million dollars in advertising against the bill, much of it in more conservative leaning states that have perhaps vulnerable Democratic senators.

Arkansas is one such as example, where Democratic Senator Blanche Lincoln said Monday that "I have 90,000 Arkansans who need a job, that's my No. 1 priority." She added that the law was "divisive and we don't need that right now. We

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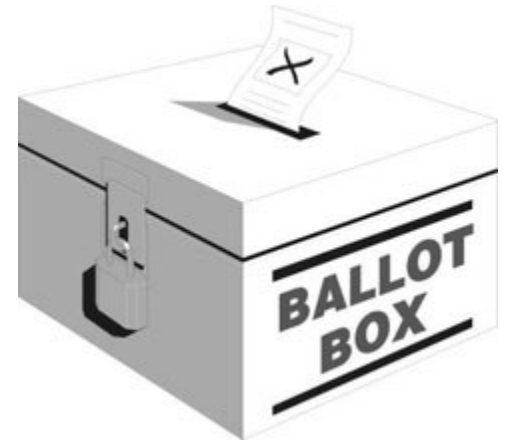
need to focus on the things that are more important..”

At the same time, there is some tinkering with ideas that might form something of a compromise. For example, some Democrats are indicating they might support changes that would require language on a union card to make clear that signing the card is equivalent to voting to join a union, which some opponents of the bill argue might now be unclear to some workers.

And Bill Gould, former chairman of the National Labor Relations Board in the 1990s under the Clinton administration, has suggested replacing the card-check provision with secret-ballot elections that take place within five to 10 days after a union files a petition with the NLRB, quicker than they currently do. He argues that this would give companies less time to mount an aggressive anti-union campaign.

Business leaders object not only to the card check provision for unionization instead of a se-

cret ballot, but also other less publicized provisions that could be part of the law. For example, one version of the bill says that if the company and new union cannot agree on a contract in 120 days, a government arbitrator will come in and write the agreement for them.



Gary Shapiro, president of the Consumer Electronics Association in Arlington, Va., said more than 60% of the group's members supported Mr. Obama in an October poll, but that its 2,000 member companies are "universally" against the bill. Some have told Shapiro that they will move factories overseas if it passes.

The tech sector is one of the industries union leaders would like to especially target, as it currently has low levels of unionization.