169666

JOHN F. MEESE
President
General Offices:
AFL-CIO Bldg.
815 16th Street, N.W.,
Washington, D.C. 20006
Tele. 202-347-7255
FAX 202-347-0181

Metal Trades Department

American Federation of Labor and Congress of Industrial Organizations

May 20, 1996

The President
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear Mr. President:

As we write this letter, a long-overdue increase in the minimum wage is being debated by Congress, and if the noxious TEAM Act rider is dropped from the bill, millions of American workers will see some improvement in their living standards. At the same time, you are preparing, next week, to host a conference on the issue of corporate responsibility. These are just two examples of how your Administration has lived up to its promise to help American families, and to "level the playing field" for American workers.

You also have been a strong advocate for collective bargaining and the rights of American workers to join unions, if they choose. This is reflected in your appointments to the National Labor Relations Board, an Agency that, once again, is fulfilling its statutory mandate to protect workers who seek to organize and to promote the process of collective bargaining. Indeed, the Agency is doing an admirable job, with a reduced staff and budget, and in spite of being singled out for venomous and time consuming attacks by the Republican Congress.

This is the good news. We write today, however, because much of what your Administration has sought to accomplish in the area of worker rights is being undercut by an antiquated and blind system of awarding huge government contracts -- particularly defense contracts -- to companies with abysmal worker rights, health and safety, and collective bargaining records. This makes no policy sense, and, in these times, it certainly makes no fiscal sense.

We would like to relate to you one astonishing example of a company that receives most of its revenue from one federal government agency, the United States Navy, and then spends countless thousands of those same government procurement dollars fighting the orders and complaints of another federal government agency, the National Labor Relations Board.

Avondale Industries, Inc. operates a large shipyard in New Orleans, Louisiana, and is one of the Navy's premier contractors. In 1993, alone, the Navy awarded Avondale over $1 billion in new contracts. Also in 1993, Avondale employees sought union representation, and on June 25, 1993, the National Labor Relations Board conducted a representation election among a unit of Avondale's employees.

Despite an intense and intimidating anti-union campaign run by Avondale officials, approximately 2000 employees voted in favor of being represented by the Metal Trades Department, AFL-CIO. But this overwhelming vote in favor of representation did not deter Avondale officials from their commitment to preventing collective bargaining. Hundreds of ballots where challenged, and the Company filed dozens of objections to the conduct of the election -- a time-tested method by which employers try to defeat employee free choice.

Normally, election challenges and objections are heard in a matter of days at an NLRB hearing, with decisions quickly following. In this case, however, a high-priced team of Avondale attorneys dragged out the process for more than 84 days over a six month period Largely because of the volumes of materials filed by the Company, the NLRB Hearing Officer's Report, overruling Avondale's objections, did not issue for another year.

In the meantime, In July, 1994, the NLRB began prosecuting a series of unfair labor practice complaints against the Company encompassing literally hundreds of unfair labor practice charges. To date, there have been 160 days of trial and over 2000 exhibits introduced concerning charges of unlawful discharge and discrimination against union supporters, interrogations and threats, and other egregious and unlawful conduct. The cost of prosecuting these cases is incalculable but it may well be one of the most expensive cases ever brought by the NLRB.

And, who is financing Avondale's shameless misconduct and "spare-no-expense" resistance to its employees union organizing efforts? The United States Government! Mr. President, there is something seriously wrong with this picture.

Let us be clear. The Metal Trades Department, its affiliated unions, and the Avondale employees we represent are not asking the Navy to withhold contracts won by Avondale after a competitive bidding process. We are painfully aware that any reduction in orders could well result in a loss of work to Avondale employees. But the status quo is unacceptable.

Previous complaints about this situation resulted in a cursory Defense Contract Audit Agency (DCAA) review allowing Avondale to charge its anti-union meetings and activities as an allowable "indirect cost" to be reimbursed by the federal government. At the very least, Avondale should be required to fund its anti-union campaign out of non-federal revenues. This is only one step that should be considered. We implore you to help find others.

We ask that you immediately convene a high level meeting among officials at the Departments of Labor and Defense, the National Labor Relations Board, Avondale's President and CEO, and the leadership of the unions involved. We think the personal involvement of Secretary of Labor Reich is essential.

We also suggest that a Task Force be created to consider the ongoing problem of the federal government awarding taxpayer financed contracts to companies which then use that taxpayer money to fight the orders of other government agencies. In view of the uncertain legal status of executive orders debarring federal labor law violators, other options should be considered. At a minimum, there should be government-wide enforcement of "collection by administrative offset" -- the procedure which permits the federal government to withhold money from a federal contractor if that contractor has failed to comply with an NLRB order to restore wages or benefits.

We appreciate your immediate attention to this problem. Avondale's employees deserve the level playing field that your Administration has begun to achieve for so many American workers. American taxpayers deserve a financially sound and sensible federal contracting system.

Sincerely yours,

John F. Meese, President
Metal Trades Department, AFL-CIO

Mr. John J. Barry, President
International Brotherhood of Electrical Workers, AFL-CIO

Mr. George J. Kourpias, President
International Association of Machinists and Aerospace Workers, AFL-CIO

Mr. A. L. "Mike" Monroe, President
International Brotherhood of Painters and Allied Trades, AFL-CIO

Mr. Arthur A. Coia, President
Laborers International Union of North America, AFL-CIO

Mr. Doug McCarron, President
United Brotherhood of Carpenters and Joiners, AFL-CIO

Mr. Jake West, President
International Association of Bridge, Structural and Ornamental Iron Workers, AFL-CIO

Mr. Frank Hanley, President
International Union of Operating Engineers, ALF-CIO

Mr. Marvin J. Boede, President
United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada, AFL-CIO

Mr. Arthur Moore, President
Sheet Metal Workers International Association, AFL-CIO

Mr. William G. Bernard, President
International Association of Heat and Frost Insulators and Asbestos Workers, AFL-CIO

cc: Honorable Robert Reich
Honorable William J. Perry
Honorable William Gould
General Counsel Fred Feinstein

JFM/skb