



July 8, 2009

No Compromise on Binding Interest Arbitration

Dear Senator:

As you and your colleagues continue to debate the numerous important issues currently confronting our nation, we write to express our strong opposition to any effort to pass provisions included in the *Employee Free Choice Act* (H.R. 1409/S. 560), and to ask that you oppose any related legislation presented under the guise of “compromise.”

The Coalition for a Democratic Workplace (CDW), a group of more than 580 organizations, is united in opposition to all provisions in the *Employee Free Choice Act* (EFCA) because we believe this bill severely undermines long standing principles of balance and fairness in federal labor law.

While the issue of card-check organizing has been the focal point of most of the debate surrounding EFCA (and, rightfully so, since card-check would deny working men and women the opportunity to privately decide whether to join a union), EFCA’s imposition of government-mandated, binding interest arbitration on private employers of all sizes will be as detrimental to workplace rights, and even more threatening to job creation than card-check.

Now, proponents of EFCA have begun a campaign to make the radical seem reasonable; suggesting the EFCA’s binding interest arbitration is comparable to the dispute arbitration that can currently be used in the private sector. Nothing could be further from the truth, and these attempts by EFCA supporters to normalize an idea as onerous as government intervention through binding interest arbitration show desperation in regards to a bill whose support is regularly decreasing.

The differences between dispute arbitration and EFCA’s mandatory binding interest arbitration are extremely significant. Dispute arbitration takes place when both parties enter into an agreement to settle a dispute, as an alternative to litigating a disagreement with particular contractual terms. Binding interest arbitration, as proposed in EFCA, allows federal government arbitrators to dictate terms of a labor contract if parties have

not yet come to a voluntary agreement on a first contract within 120 days of good-faith bargaining. EFCA's proposed binding interest arbitration *forces* employees, their union representative and the employer to accept a contract (written by the arbitrator) for two years.

In dispute arbitration, the arbitrators *interpret* the law or previously agreed to contracts or contract terms with a general right of the parties to appeal. However, under EFCA's binding interest arbitration, the arbitrators, who are unlikely to have any relevant business experience, will *dictate the terms of a labor contract* that involves almost every facet of how a business is run, including pay, benefits, and work rules with no right of the parties to appeal the arbitrator's final contract.

In short, under dispute arbitration, arbitrators are interpreting contracts and the law, which is essentially what they are trained to do. Under EFCA, the arbitrators are making business decisions on every aspect of company operations, even though they may lack any business experience, let alone have any expertise with the pertinent industry or specific company.

Clearly, there is nothing common about EFCA's binding interest arbitration. The continued attempts to find a so-called "compromise" on EFCA are running into the same road blocks—the impossibility of negotiating on proposals as radical and out-of-touch as binding interest arbitration and card-check.

We therefore urge you to oppose this job-killing legislation, and to oppose any legislation offered under the guise of "compromise" that alters the nation's long standing and time tested collective bargaining process by imposing any form of mandatory binding arbitration. More information, analyses, and polling data showing that more than 72 percent of voters believe that binding interest arbitration is "unwise and risky," can be found on our coalition's website at www.myprivateballot.com.

Sincerely,

THE COALITION FOR A DEMOCRATIC WORKPLACE: