

MARCH 9, 1987

3/10/87
Sheraton Wash
Ballroom

TO: SENATOR
FROM: GREG SCHNACKE
SUBJECT: ASSOCIATED GENERAL CONTRACTORS

REGARDING WHAT THE AGC IS INTERESTED IN HEARING YOU BRIEFLY ADDRESS IN THE BEGINNING OF YOUR SPEECH, THEY ARE PRIMARILY INTERESTED IN:

- 1) DOUBLE BREASTING THIS HASN'T CHANGED SINCE LAST THURSDAY
- 2) HIGHWAY CONFERENCE BILL

I HAVE INCLUDED THE RECENT UPDATES FOR YOU

MAY ANTICIPATE QUESTIONS REGARDING THE IMPORTANCE OF MAINTAINING THE NATION'S INFRASTRUCTURE IN GENERAL.

SECRETARY DOLE REPORTED IN HER SPEECH TO THE YR'S SATURDAY NIGHT THAT THE EMPHASIS OF THE DEPT OF TRANSPORTATION DEPT WOULD BE IN FOCUSING ON AREAS OF NATIONAL IMPORTANCE, RATHER THAN LOCAL CONCERNS.

THE ADMINISTRATION WILL CONCENTRATE ON INTERSTATE COMMERCE AND DEFENSE NEEDS

AN EXAMPLE OF THAT WOULD BE THE CASE OF AMTRAK, WHERE \$12 BILLION HAS BEEN SPENT OVER THE PAST 17 YEARS TO SUBSIDIZE THE RAILWAY. LAST YEAR, \$600 MILLION HAS BEEN SPENT AT THE RATE OF \$27 PER PASSENGER SO THAT LESS THAN 1/2 OF 1 PERCENT OF INTERCITY PASSENGERS CAN RIDE. CLEARLY, THERE IS NOT ENOUGH LOCAL CONTRIBUTION TO MASS TRANSIT.

SECRETARY DOLE ANNOUNCED FRIDAY THE FORMATION OF THE AMTRAK PRIVATIZATION COMMISSION THAT WILL REPORT IN 6 MONTHS HOW AMTRAK CAN BE PRIVATIZED

TALKING POINTS ON "DOUBLE-BREASTING"

- I KNOW THAT A NUMBER OF YOU ARE CONCERNED WITH THE ABILITY OF AN EMPLOYER IN THE CONSTRUCTION BUSINESS TO SET UP SEPARATE UNION AND NONUNION COMPANIES, SO-CALLED "DOUBLE-BREASTING."
- AT THE OUTSET, LET ME SAY THAT I SEE NO REASON WHY THE FEDERAL GOVERNMENT SHOULD INTERFERE IN THE RIGHT OF EMPLOYEES AND EMPLOYERS TO ENTER INTO BINDING COLLECTIVE

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BARGAINING AGREEMENTS. EMPLOYEES HAVE A RIGHT TO ORGANIZE AND EXPECT AN EMPLOYER TO DEAL WITH THEIR REPRESENTATIVES IN GOOD FAITH.

- ON THE OTHER HAND, EMPLOYEES ALSO HAVE THE RIGHT TO WORK IN A NONUNION COMPANY, AND BUSINESSMEN, EVEN IN THE CONSTRUCTION INDUSTRY, HAVE A RIGHT TO RUN MORE THAN ONE BUSINESS. THE GOVERNMENT SHOULD NOT BE IN THE BUSINESS OF TELLING A BUSINESSMAN THAT IT WILL DISREGARD THE FORM OF DOING BUSINESS HE HAS CHOSEN.

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- THOSE WHO WANT TO PROHIBIT "DOUBLE-BREASTING" NOTE THAT UNION AND NONUNION COMPANIES OWNED BY THE SAME INDIVIDUALS MAY BID AGAINST EACH OTHER FOR THE SAME CONSTRUCTION CONTRACT. THEY ARGUE THAT THE NONUNION COMPANY MAY UNDERBID THE UNION COMPANY, AND THAT IN THIS WAY A BUSINESSMAN CAN CONTINUE TO OPERATE HIS BUSINESS WHILE IGNORING A COLLECTIVE BARGAINING AGREEMENT.
- THE SAME "EMPLOYER" CANNOT BID AS A UNION AND NONUNION COMPANY. THE ISSUE WHICH WAS BEFORE THE CONGRESS LAST YEAR WAS THE TECHNICAL ISSUE OF WHETHER TWO SUBSIDIARIES

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ARE ALWAYS TO BE CONSIDERED THE SAME
"EMPLOYER". THE HOUSE SAID THEY WERE; THE
SENATE DISAGREED.

● PROPONENTS OF THE CHANGE IN THE LAW SAY
THAT THE CHANGE IS MERELY A "CLARIFICATION"
OF PRESENT LAW. HOWEVER, THE PROPOSED
CHANGE IS SUBSTANTIALLY MORE THAN A
CLARIFICATION. FOR INSTANCE, THE PROVISION
PASSED BY THE HOUSE WOULD HAVE SAID THAT
ALL SUBSIDIARIES, EVEN THOSE IN DIFFERENT
GEOGRAPHIC AREAS, WOULD HAVE TO BE
UNIONIZED IF ONE SUBSIDIARY WAS UNIONIZED.
THIS IS COULD BE A WAY TO FORCE AN EMPLOYER

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TO OPERATE UNION SHOPS THROUGHOUT THE
COUNTRY IF IT ENTERED INTO A COLLECTIVE
BARGAINING AGREEMENT IN ONE AREA.

- WHILE THE RIGHT TO ORGANIZE IS, AND SHOULD
BE, PROTECTED BY LAW, THE FREEDOM OF A
WORKER TO CHOOSE THE CONDITIONS OF
EMPLOYMENT IS ALSO IMPORTANT. THE FEDERAL
GOVERNMENT SHOULD NOT REPEAL STATE RIGHT TO
WORK LAWS UNDER THE GUISE OF A "TECHNICAL
CORRECTION".