

Labor Agenda

The [Wall Street Journal](#) reports on the Lilly Ledbetter Fair Pay Act, named for a woman whose attempt to sue Goodyear Tire & Rubber Co. for pay discrimination was blocked because she waited too long, is poised to be one of the first bills signed by President Barack Obama and, in fact, he has now signed the bill into law. This measure presents a new tool for workers to fight for higher pay, and an array of challenges for businesses. Opponents of the bill and some compensation consultants say it will cause new problems for employers. In addition to a potential spike in worker claims, employers worry about the burden of having to keep compensation records for an indefinite period of time. There also is concern about how courts might broadly interpret certain language in the bill. Wording in the bill stating the law could apply to individuals 'affected by' the discrimination could be interpreted to mean a spouse or other family member of a worker could file suit, for example.

The [Detroit Free Press](#) reports that as President Barack Obama takes office with expanded Democratic majorities in Congress, supporters in organized labor hope to achieve a long-sought legislative victory that would make it easier for workers to form unions and negotiate contracts. Their vehicle is the Employee Free Choice Act, or EFCA. The act would make it easier to organize unions and force companies to submit to binding arbitration for first contracts with newly formed unions. Penalties for firing union backers would be significantly increased. Also, EFCA's second provision, forcing binding-arbitration of first contracts for newly formed unions, might do more damage to business. Contract terms imposed by an arbitrator could load heavy costs onto companies' budgets. Work rules imposed by an arbitrator might hurt even more. Here's more on EFCA from [BusinessWeek](#) and the [Las Vegas Sun](#).

The [Charlotte Business Journal](#) notes, "To business groups, these votes signal a tough year ahead for employers on workplace issues, especially since no hearings were held on the bills this Congress before they were brought to the House floor."

The Economy

[The Politico](#) reports that even as President Barack Obama traveled down Pennsylvania Avenue on Tuesday after his swearing-in, the Dow Jones Industrial Average had fallen more than 300 points on Wall Street. If his \$825 billion economic stimulus plan is not successful, economists and investors warn that a stock market slide could be more like a 4,000-point stock market crash. And Americans have vastly more to worry about than just that...Martin Regalia, the top economist for the U.S. Chamber of Commerce, agrees with the gloomy economic predictions, but adds that any action in Washington will have some positive effects. 'If they do pass it and it doesn't work, it's damaging, Regalia said. "If it doesn't work, then this administration will be crippled well out beyond the midterm elections and he'll be dealing with higher unemployment, a growing disgruntled populace and a budget deficit that is staggering. But at least he's done something. You look at the Katrina situation, what did the president get criticized for? For not being effective? No, he got criticized for doing nothing."

[Bloomberg News](#) reports,"The Senate Finance Committee's newly released tax measure would give companies tax relief on forgiven debt by letting them spread a tax on the value of amounts forgiven over a four-year period. That is a variation on more generous relief sought by business groups." Here's more from [McClatchy](#), the [Financial Times](#) and the [Washington Business Journal](#).

Immigration

The [Washington Post](#) reports the Obama administration is delaying a planned crackdown on federal contractors that hire immigrants to determine if the electronic system set up to check workers' documents can handle the surge in workload, Homeland Security Secretary Janet Napolitano said early in the week. The federal government planned to require all contractors to use that government system, known as E-Verify, to screen all workers on contracts worth more than \$100,000 after Jan. 15, but the Bush administration delayed the rule until Feb. 20

because of a business-driven lawsuit. This week, the new administration postponed it until May 21 to give itself an adequate opportunity to review the rule. Here's more from [eWeek](#) and the [AP](#).

Trade

[Washington Times](#) note the first of what might be many trade disputes during the Obama presidency erupted on his first full day in the White House. On Jan. 21, the House Appropriations Committee voted 55-0 for an amendment increasing the 'Buy American' mandate for infrastructure projects funded by the \$819 billion stimulus bill. The next day more than a dozen business groups wrote to congressional leaders, warning that the 'Buy American' provisions would undermine the ability of American companies and workers to export goods and services. They said it would shut U.S. companies and their workers out of the economic-stimulus programs being initiated in other countries. It also violated America's international trade commitments, the business groups said. Here's more from [AFP](#), the [International Herald Tribune](#), the [Cleveland Plain Dealer](#), and the [Toronto Star](#).

Until next time,

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