



Legislative UPDATE

A weekly report from the Washington State Labor Council, AFL-CIO



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Tone down rhetoric, for 7E7's sake

Regardless of the taste left in your mouth by the bidding process Boeing has established for its 7E7 assembly work, now that we've all seen the company's site selection criteria, there's reason for optimism. Government, business and labor leaders have all expressed confidence that our state is well positioned on almost every line item. And work continues in Olympia to make our case even stronger.

So what is the best thing Washington has going for it?

Is it our well trained and very much available work force? Our existing facilities and nearby suppliers? Our access to a deep-sea port to accommodate the importing of airplane parts we used to build here? No, no and nope.

The best thing is that 2003 is not a big election year. That means there won't be 100-plus apoplectic Republican candidates swarming the state under the campaign banner, "Washington: A Bad Place to Do Business."

Perhaps the champions of state economic development in the GOP (and their sponsoring corporate lobbying groups) can tone down the rhetoric long enough for government and business leaders to make a positive case for the state to the Boeing Co.

The state Republican Party officially adopted its "Our State Sucks" theme on March 21, 2001. That was the day Boeing made the surprise announcement it was moving its headquarters out of state. The next day, the media were inundated with cookie-cutter press releases from GOP lawmakers blaming the move on Washington's "hostile business environment." Since that time, state Republican leaders have been quoted in the *New York Times*, the *Washington Post* and other national publications touting our state as a rotten place for employers to consider creating jobs.

For its part, Boeing certainly has issues with our state's business climate, but the company has repeatedly said those issues had absolutely nothing to do with their decision to relocate. Nevertheless, the commercial press, political pundits and Governor Gary Locke seized on the issue and the competitiveness hand wringing continues to this day.

Not that there's anything wrong with that. Legitimate ongoing efforts to improve our business climate -- especially investing in our infrastructure and education system -- are good for the economy and good for job creation.

The problem occurs when the **anti-government ideo-**

STATE BUDGET UPDATE

Budget negotiators hope to reach an agreement by the end of this week that can be presented to the entire legislature for debate and a vote next week. As previously reported, House negotiators have unfortunately abandoned the 2% pay increase for state employees and teachers in their budget. But Senate negotiators have agreed to suspend some business tax breaks and boost spending by \$250 million over their budget.

That means the money is available to do the right thing, and fund the home care contract. These long-neglected workers make less than \$8 an hour and get no benefits... none. The contract would raise wages to \$9.75 an hour by July 2004 and, for the first time, provide health and workers' compensation benefits.

Even lawmakers who have opposed funding the contract agree something must be done to help home-care workers, but they argue against the "all-or-nothing" contract proposal. They also portray the issue as a political payoff to labor interests as opposed to a long-overdue measure of respect demanded by voters.

We have to deliver a message RIGHT NOW to budget negotiators. If they are your legislators, call 1-800-562-6000. Otherwise, call (360) 786-xxxx:

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|---------------------------|-----------------------------|
| Rep. Frank Chopp, x7920 | Sen. Darlene Fairley, x7662 |
| Rep. Helen Sommers, x7814 | Sen. Dino Rossi, x7608 |
| Rep. Bill Fromhold, x7924 | Sen. Joe Zarelli, x7634 |
| Rep. Jeff Gombosky, x7946 | Rep. Barry Sehlin, x7884 |

Demand FULL FUNDING of the Home Care Contract!

logues jump on that bandwagon. They figure the momentum to improve our business climate means it's open season on every public service they want to privatize and every wage and safety standard they ever opposed, consequences be damned. Of course, it's working families who suffer those

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consequences.

All session long, that bandwagon has exceeded its weight limit. Even now, extreme anti-worker proposals, once thought to be the usual political posturing or throw-away opening salvos for negotiations, continue to be pressed. These unacceptable proposals are muddying the negotiating waters and harming the chances for compromise and progress on legitimate reforms.

Which brings us to...

Workers' compensation negotiations update

Labor is willing to compromise on the issue of hearing loss claims, which is of particular importance to the Boeing Co. In addition, changes in vocational rehabilitation can be negotiated involving a limited form of compromise-and-release (where workers agree to a certain amount of money and release the Department of Labor and Industries from further liability for time-loss benefits due to the injury) and training vouchers for injured workers found able to return to minimum-wage work but who are unable to earn anything close to what they did at the time of injury.

But the business community has again raised the issue of seasonality, hoping to dramatically expand the number of workers considered seasonal, part-time or intermittent and significantly reduce their benefits.

Labor believes such an effort goes too far in denying Washington families "sure and certain relief" when workers are injured on the job. We think the Department should proceed with rules consistent with the Avundez decision, in which the Supreme Court ruled L&I cannot presume certain workers, such as agricultural workers, are seasonal. It is fair and just that L&I should consider other factors before exempting workers from their right to wage-of-injury benefit calculation.

This year's significant -- and unfortunately avoidable -- premium increases (the first in eight years) have been spun by some competagogues into a job-killing workers' compensation system out of control. Again, we remind all that Washington continues to have a low-cost system considered a model for other states. A 2002 state-by-state comparison by the Oregon Department of Consumer and Business Services lists Washington as having the 7th lowest rates. Even with the latest premium increase, that ranking won't change much because all states—with and without privatized systems—have been forced to make significant premium increases this year because of market losses and skyrocketing health costs.

All that being said, organized labor is willing to negotiate changes to address employer concerns. But we will not

accept turning the system on its head with dramatic benefit takeaways.

If the employer community insists on changing the rules on seasonality -- which has no impact on the Boeing Co. -- it could jeopardize a reform agreement in 2003.

Good news on drug bill, but ACTION is needed

A major U.S. Supreme Court decision Monday upheld Maine's groundbreaking efforts to force prescription drug companies to negotiate lower prices through a buying consortium that consolidates Medicaid drug purchases. It was a significant legal defeat for the pharmaceutical companies seeking to prevent states from utilizing the free-market principles of buying in bulk and price competition in order to lower state drug costs.

And it refutes one of the arguments made by drug company lobbyists in this state opposing legislative efforts to create a Washington state drug-purchasing consortium.

As you may recall, the House approved HB 1214, the prescription drug-purchasing consortium bill, on a strong bipartisan vote way back in February. The Republican-controlled Senate, however, proved unwilling to buck the pharmaceutical industry lobbyists during the regular session. Governor Locke kept the issue on the front burner when he included the prescription drug issue in the list of legislation he wanted lawmakers to address during this special session.

So what are its chances? They are actually pretty good, because the House and Senate leaders on the issue—Rep. Eileen Cody and Sen. Alex Deccio—and some other key legislators have reached a compromise agreement that retains the general principles of HB 1214, but addresses some of the concerns raised about it. In addition, Senate Majority Leader Jim West has reportedly agreed to allow a vote on the prescription drug bill (although *which* bill is unclear).

CALL TO ACTION: That means it is important to call State Senators, especially Republican ones, and remind them that this critical issue can't wait. Call the Legislative Hotline at 1-800-562-6000. Although we don't know at this point what bill number to refer to, you can leave a message for your State Senator that **our state government, the working poor and seniors need real prescription drug reform.**

Next update: Friday, May 23

Some key negotiation session on workers' compensation and unemployment insurance are happening mid-week, so we plan our next Update for this Friday, May 23, if there is material to report (and if *WSLC Legislative Update* doesn't have jury duty in Port Orchard that day... our group wasn't called today!)