

Unions left out of discussion as Detroit files bankruptcy

DETROIT — Before Michigan Gov. Rick Snyder and his hand-picked emergency manager Kevyn D. Orr rushed the city's bankruptcy filing to federal court last month, they refused to sit down and discuss the future of the city's workers and retirees, AFSCME President Lee Saunders said on "The Bill Press Show."

"They have not sat down and talked with the union at all in Detroit," Saunders told the radio talk show host. "They have refused to do so ... to talk about how these issues can be resolved. They have said they've attempted to have these kinds of discussions. That is a bold-faced lie."

Orr has called for "significant cuts" to pensions for some 21,000 retired public employees and cuts in benefits and likely wages for current city workers. AFSCME and others have taken

state court action against the bankruptcy filing, and Saunders says they will press for talks. In the meantime:

"We will continue to take court action and we will continue to try to mobilize and organize our communities and members in the city of Detroit. We cannot run away from the fact there is a problem there. The question is how do you deal with this issue? How do you fix the problem?"

Saunders also says he believes there is a role for the federal government to play.

"Now I'm not suggesting there be a huge bailout, though the federal government did bail out Wall Street, and they're one of the reasons we're in this problem," Saunders said.

And though an Ingham County judge said the bankruptcy violates the state's constitution, once a bankruptcy filing is

made in federal court, legal experts say it generally trumps other litigation in state courts.

Gov. Snyder, a Republican and former corporate executive, and the Republican-run Michigan Legislature rammed through an emergency manager law in the final hours of the 2012 legislative session. The law is similar to one voters struck down a month earlier in the November general election.

The emergency manager law requires financially troubled governments to choose from four mandatory options: Accept an emergency manager, undergo bankruptcy, enter into mediation or join the state in a partnership known as a consent agreement.

In March 2013, Snyder appointed Orr as Detroit's emergency manager, along with a salary of \$275,000 a year. Orr is a bankruptcy attorney.

Orr filed for bankruptcy for the city on July 18, citing a multi-billion-dollar debt and a declining tax base. He said creditors refused to accept lower payments on their notes.

The emergency manager statute gives Orr the ability to break union contracts and sell assets. Workers at the City of Detroit are represented by AFSCME District 25, Fire Fighters Local 344, a police local, a Utility Workers local, and other unions.

Bankruptcy also will allow Orr to trash pensions for current and future workers, as well as current retirees, along with health insurance negotiated in union contracts.

Emergency managers currently run six cities and three local school districts in Michigan.

American Federation of Teachers President Randi Weingarten, whose union represents the city's teachers, accused Gov. Snyder of setting up the bankruptcy.

"It's terrible," she said. "You have a city starting to see some roots and seedlings grow again" in economic development and an increased tax base after decades of decay and loss "and here you have a governor more bent on its demise."

"As someone who grew up in New York City in the 1970s (when the Big Apple went broke), I put all this at the feet of Snyder," she said. A federal loan guarantee, deep pay and pension cuts New York unions agreed to and other changes — such as the end of free tuition at the City College of New York — pulled New York out of the hole.

"The moment a governor puts a city into bankruptcy, what does it say? That has to be the last, last, last thing you do."

If you think I'm passionate about this, you're right," Weingarten, a New York City teacher, declared.

Off-duty firefighters hit the streets with informational picket lines July 24, where they talked about the impact bankruptcy will have on their pensions, and on response times to emergencies.

Fire Fighters Union member Dennis Hunter, a 14-year-veteran, told the Detroit Free Press he thought of the informational picket line after listening to what he called "hyperbole on the evening news" from Orr, Detroit Mayor Dave Bing, and other politicians.

Over the last 30 years, Hunter told the paper, the Detroit fire department has gone from 1,800 firefighters to 830 and from 77 fire companies to 42. Fire-related deaths rose from 30 in 1983 to 79 last year.

Orr blames mismanagement for the city's financial ills, but independent analysts trace another, larger cause: Detroit has been "hollowed out" for the last 60 years, and even more so when its economic mainstay — the car companies — fell victim to foreign competition. Its 1950 population was 1.8 million, while its 2010 count was 750,000, after a quarter-million-person exodus in just the prior 10 years.

Businesses also left in droves. Residents who remained were disproportionately poor, compared to other cities. And since Detroit depends on income taxes instead of property taxes for revenue, one analyst said at an AFL-CIO session about civil rights, the city's tax receipts crashed even faster.

(Editor's Note: Press Associates Inc. and the AFL-CIO Now blog contributed to this report.)

Arlene Holt-Baker leaves AFL-CIO

WASHINGTON, D.C. (PAI) — California labor official Tefere Gebre, a teenaged political refugee from Ethiopia, a former member of Laborers Local 270, and a politically savvy operative from the nation's largest state, will succeed Arlene Holt-Baker as executive vice president of the national AFL-CIO, at the federation's convention in Los Angeles in September.

Holt-Baker announced at the AFL-CIO Executive Council meeting on July 24 that she would step down from her post, effective then, "because I have two granddaughters and I want to spend more time with them."

Gebre is executive director of the Orange County, Calif., Labor Federation. After his immigration to the U.S. in 1987, he graduated from high school in Los Angeles, and from college at Cal



Poly Pomona, paying his way through a combination of a track scholarship and part-time work, as a member of Teamsters Local 396, for UPS.

Gebre is also known for his political savvy. Before joining the Laborers, where he rose to be political director, he was an aide to longtime State Assembly Speaker Willie Brown (D).

If AFL-CIO convention delegates ratify his selection to succeed Holt-Baker, Gebre would be the first political refugee from Africa to hold the executive vice president's post.

Holt-Baker, a Texas native and longtime Californian, came to the federation post from a long career at AF-

SCME. A veteran of the civil rights movement, she has been heavily involved in campaigning among women and minorities to join unions — and among unions to promote and speak for those groups.

Symbolic of her role was the latest event she helped chair — a July 22 Economic Policy Institute symposium at the AFL-CIO on the "unfinished business" of Dr. Martin Luther King's historic 1963 March on Washington.

As Holt-Baker reminded the packed audience, the march was for jobs and freedom — and the jobs part gets left out, even if it was first on the marchers' signs."

U.S. Senate expected to confirm full slate of Obama nominees to NLRB

WASHINGTON, D.C. — The U.S. Senate Health, Education, Labor and Pensions Committee voted 13 to 9 July 24 to send the nominations of Nancy Schiffer and Kent Hirozawa for the National Labor Relations Board (NLRB) to the full Senate for a confirmation vote.

The vote is expected to take place the week of July 29-Aug. 2 (after this issue went to press) on all five of President Barack Obama's nominees to the board. In addition to Schiffer, a former AFL-CIO associate general counsel who also served as an attorney in the NLRB's regional office in Detroit, and Hirozawa, Obama has re-nominated Chair Mark Pearce and two Republican management-side labor lawyers — Harry Johnson and Phillip Miscimarra for NLRB seats.

The NLRB has been operating with only three members because Republi-

can senators have refused to confirm Obama's nominees. Two of the three board members — Richard Griffin and Sharon Block — are recess appointments. Their legality to serve on the board has been challenged in federal court by Republican senators and the Chamber of Commerce. They claim the Senate wasn't in recess when Obama named them to the board.

Obama's efforts to appoint Griffin and Block to full terms on the NLRB were blocked by GOP silent filibusters. The president finally withdrew their nominations and replaced them with Schiffer and Hirozawa.

The NLRB requires three members to have a quorum. Without it, the board cannot function. Board decisions set the standards of labor-management relations for 85 million U.S. workers, union and non-union, most of them in the private sector.



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