



COALITION OF WASHINGTON BUSINESS ORGANIZATIONS (COWBO)

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Coalition of Washington Business Organizations (COWBO)

January 15, 2008

Dear Washington State House of Representative:

The undersigned members of the Coalition of Washington Business Organizations urge you to work with us in protecting and strengthening our state economy.

The employers we represent provide jobs for millions of hard-working men and women and their families. We face an increasingly challenging competitive environment. Global competition continues to expand and forecasts of a national recession are growing increasingly widespread. These forces will impact many of the sectors – including construction, home sales and general consumer spending – that have provided the underpinning for our strong state economy.

These trends magnify the importance of every decision you make that impacts our competitive environment. With that in mind, we would like to share our views on five major issues you will be addressing during this legislative session:

- Fiscal responsibility and the state budget;
Implementing the paid family leave policy;
Compensation implications of employee use of company vehicles;
Worker privacy legislation;
Health care policy.

Fiscal Responsibility: Last year many of us expressed serious concerns about the sustainability of the state budget. Fortunately, our economy remained strong through the summer, generating higher-than-expected tax revenues that helped erase some of the projected budget shortfall. We cannot expect this trend to continue. Indeed, most analysts now expect several quarters of slow growth. Some suggest the nation is already in recession. We cannot make fiscal decisions as if Washington will remain immune to national market conditions. Governor Chris Gregoire’s supplemental budget proposes an additional small increase to state spending. We encourage you to hold the line on new spending and maintain at least \$1.2 billion in total reserves as protection against potential future slowdowns in economic activity.

Paid Family Leave: The legislation passed last year established a new employee benefit without resolving serious cost and implementation issues. These issues must now be addressed, based on the initial recommendations from the family leave task force. Given the state’s upcoming budget challenges, funding this program from the general fund is, at best, a temporary and risky policy. Similarly, we oppose dipping into trust funds (such as workers’ compensation or unemployment insurance) to pay for an unrelated, new entitlement. Employers should not bear the burden for this state-mandated employee benefit.

We have a number of additional concerns that arise because, in addition to a monetary entitlement, the law sets up a new employment regulation. Here are a few: 1) Employers already offering a paid family leave benefit that meets or exceeds the benefit provided through the legislation should be allowed to continue doing so without being required to participate in the state program; 2) seasonal employers should not be required to reinstate workers to jobs once the season is completed; 3) paid leave should be considered a “voluntary quit” for unemployment insurance purposes, so that workers are not allowed to transition from paid leave to unemployment; and, 4) workers should not be permitted to “stack” the various paid and unpaid family leaves. A simple solution is to limit paid leave to a monetary benefit. The new employment regulations and worker reinstatement privileges should remain as they are with the four unpaid family leave laws.

Use of Company Vehicles: A recent state Supreme Court decision created considerable uncertainty for employers whose workers choose to drive company vehicles from home. In the *Brink’s* case, the Court ruled that under certain facts, commuting to and from work in a company vehicle must be compensated -- but left little guidance about what factors change commute time into work time. To restore certainty to employers and allow them to maintain company vehicle policies popular among workers, we ask the legislature to provide a clear “bright line” that differentiates between uncompensated commuting and work-related travel. Such a rule would bring Washington back into line with the 49 other states, whose employers do not face the uncertainty – and liability – generated by the *Brink’s* ruling.

Worker Privacy: Last year’s “union neutrality” legislation has returned as the “worker privacy act,” with the clear goal of preventing employers from expressing themselves on issues related to union organizing. The proposed legislation is breathtakingly and dangerously broad. It covers all employer communications – e-mails, meetings, handouts – on subjects ranging from public policy impacting the employer and workforce to solicitations of support for community programs like United Way. Because the potential employer liability includes costs of litigation and punitive damages, the proposed act would discourage the open, two-way workplace communications that most employees want. It also would allow employees to decide unilaterally what meetings and communications are appropriate and should be followed and those that may be ignored, an impossible situation for any employer.

Additionally, the legislation preempts existing federal labor law and infringes on employers’ First Amendment rights. Some of these legal issues are currently under review by the U.S. Supreme Court. As public policy, the act is unnecessary and unwise. As a practical matter, the Legislature should wait for the Supreme Court to clarify the legal issues before considering any action.

Health Care: The employers we represent share the widespread concern with rising health care costs and the desire to expand coverage for the uninsured. We want to be part of the solution and are already making important contributions. Association health plans, for example, have expanded coverage to as many as a half million employees of small businesses as a result of legislation passed under the leadership of Governor Lowry. These plans work. We urge you to resist sweeping and unproven health care” reforms” like those adopted in Massachusetts and introduced (but not passed) in Wisconsin, and work with us to build on what’s working well now.

We know that we will want to share our views on other issues that emerge during the session. However, we wanted to ensure that you understood the concerns of the employer community on these important issues upfront. We appreciate the opportunity to work with you to maintain our competitive position and economic strength, and thank you again for your attention, consideration, and service.

Sincerely,



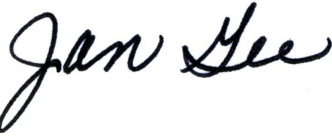
Anthony Anton
WA Restaurant Association



Richard Bristow
Associated General Contractors of WA



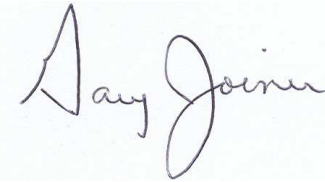
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