

# **Labor Watch**

## Labor's Girl: Hilda Solis's Long Struggle for Unions By Philip Klein

Summary: Who is Hilda Solis, Barack Obama's nominee to be the next Secretary of Labor? Organized labor is delighted because they know one thing for certain: She's no Elaine Chao.

In 2000, when President Barack Obama was mounting his ultimately unsuccessful bid for a congressional seat in Illinois, another state senator, Hilda Solis of California, also challenged a sitting incumbent in a Democratic congressional primary. Unlike Obama, she won overwhelmingly.

Initially, Solis was seen as an underdog in her race against the veteran of the U.S. House of Representatives, Representative Matthew Martinez, who had served the district spanning East Los Angeles and the San Gabriel Valley for 18 years. But he became vulnerable by disappointing the unions, especially with his vote in favor of the North American Free Trade Agreement.

Solis, who was approaching her term limit in the California state senate, decided to challenge him, encouraged by her union allies who she regularly sided with during her time in the California statehouse. Unions not only pumped money into her campaign, but they staffed her office with 260 volunteers who made telephone calls and knocked on doors on her behalf – and she won the primary by a lopsided 69 to 31 percent margin.

"I wouldn't be here, were it not for my friends in the labor movement," Solis said in her victory speech at a dance club in her hometown of El Monte, California.



Hilda Solis, President Barack Obama's nominee for Secretary of Labor, on the campaign trail. Organized labor was by far the largest contributor to her campaign's coffers.

After coasting to victory in the general election, Solis came to Washington. In four terms as a congresswoman, she never forgot who brought her to the dance. Based on her voting record in the House, Solis holds a lifetime 97 percent rating from the AFL-CIO (and a 100 percent rating for 2007, the last full year for which ratings are available); a 100 percent rating from the American Federation of State, County and Municipal Employees (AFSCME); and a 100 percent rating from the Service Employees International Union (SEIU).

As she continued to take care of them, big labor kept paying her back. Over the course of her congressional career, Solis has received \$903,550 in campaign contributions from organized labor – more than triple the next

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So when it came time for Obama to reward the labor movement for helping him complete his dramatic rise from a humiliating Congressional primary defeat in 2000 to a sweeping national victory eight years later, the new president tapped Solis to be his nominee for Secretary of Labor. Up until that point, many liberals had been lamenting that Obama's early cabinet picks were too moderate. But when the Solis nomination was announced, unions and liberal activists did a collective touchdown dance.

"It's extraordinary," SEIU president Andy Stern told the liberal news website Talking Points Memo shortly after Obama made the pick. "On every issue that's important to us, she has stood up for an America where everyone's hard work is valued and rewarded" Stern added, "She probably will be the labor secretary that has been on more picket lines and rallied more in support of workers rights than potentially anyone in American history."

AFL-CIO President John Sweeney announced, "We're thrilled at the prospect of having Rep. Hilda Solis as our nation's next

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labor secretary. We're confident that she will return to the labor department one of its core missions—to defend workers' basic rights in our nation's workplaces. She's proven to be a passionate leader and advocate for all working families—in fact, she's voted with working men and women 97 percent of the time."

Solis's home state California Labor Federation was equally effusive. "Working people in California know what a champion they're getting in Rep. Solis. From her time fighting for a higher minimum wage in the California state legislature to her support for expanded access to health care and fair trade in the U.S. Congress, Solis has shown time and again that she's committed to protecting the interests of working families," the group's executive secretary-treasurer, Art Pulaski, said in a statement.

Harold Meyerson, the Washington Post columnist who follows labor issues for the liberal magazine the American Prospect, reacted to the announcement with a gushing blog post entitled: "Hilda Solis is great." He wrote, "What does Rep. Hilda Solis, Barack Obama's selection for secretary of labor, bring to the job? Only a record of passionate commitment to working people, a high level of political smarts, and some genuine displays of raw guts that could make her a star of American liberalism."

#### Labor Lobby Captive?

Progressives were overjoyed by the Solis selection not simply because she has consistently voted with the labor movement, but because unions are in her blood. Solis was born on October 20, 1957 to a Mexican father who was a shop steward for the Teamsters and a Nicaraguan mother who worked on the assembly line at a Mattel toy factory in Southern California, where she was a member of the United Rubber Workers, which later became part of the United Steelworkers.

Solis is the first person in her family to attend college. After graduating from the California State Polytechnic University, Pomona, she completed a master's of public administration at the University of Southern California. During the Carter administration, she worked at the White House's Office of Hispanic Affairs, and was eventually appointed to the civil rights division of the Office of Management and Budget.

In 1985, Solis won her first public office in California, serving on the Rio Hondo Community College Board of Trustees. She was elected to the state assembly in 1992, and in 1994 she became the first Hispanic woman elected to the state senate.

The Los Angeles Times, in a 2000 profile of Solis, described her career in the legislature this way: "Solis was known for tenaciously pushing a liberal agenda. She has championed labor causes, women's rights (especially in the area of domestic violence), and education and health care issues, sometimes irritating Republicans who consider her a captive of the labor lobby."

As chairwoman of the state senate's industrial relations committee, she battled to raise the state minimum wage from \$4.25 per hour to \$5.75. When then-Gov. Pete Wilson vetoed her wage hike bill, she used \$50,000 of her own campaign cash to lead a signature drive to put it on the ballot in 1996, and California voters approved the measure.

Solis is also a friend of the "environmental justice" movement in California, and in 2000 she became the first woman to win a John F. Kennedy Profile in Courage Award for fighting the business community to pass legislation aimed at preventing polluting projects from being disproportionately located in low-income and minority neighborhoods. Described as the first legislation of its kind in the nation, it called for the "fair treatment of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws."

The movement claims industries are guilty of "environmental racism" when they generate pollutants that have a "disparate impact" on "communities of color." However, the movement's critics oppose making government regulators the arbiters of environmental justice. They warn that curtailing economic development can hurt the lowincome communities that environmental justice advocates intend to help.

Since coming to Washington, Solis has likewise racked up an across-the-board liberal record that gives her high marks from every constituency of the left. Her campaign website boasts that she "tirelessly defends the 40-hour work week and overtime pay requirements against the constant attacks by the corporate wing of the Republican Party," that she voted for the 2007 federal minimum wage increase from \$5.15 to \$7.25 (as of July 24, 2009), and was a leading opponent of the Central American Free Trade Agreement and of giving the president "fast track" authority to negotiate trade deals.

After the attacks of September 11, 2001, Solis proposed a one-time \$300 tax rebate for all low-income workers, regardless of their citizenship status. Many illegal and undocumented immigrants in Los Angeles had lost their jobs in the hospitality industry and were ineligible for government unemployment benefits. Solis was prepared to have the federal government spend \$16 billion to assist them. "It's not enough, but we have to take what we can get," she told the Los Angeles Times.

Solis also sponsored a resolution honoring labor firebrand Dolores Huerta and another piece of legislation authorizing the U.S. Department of Interior to "study lands important in the life of Cesar Chavez for possible inclusion into the National Park System." Together, Huerta and Chavez founded the National Farm Workers Association, which later became the United Farm Workers.

In 2002, when the 72 year-old Huerta received an award for her work for progressive causes, Solis thanked the labor agitator for inspiring her in the early 1990s. "You're my conscience, and you're the conscience for many of us," Solis said.

In 2007, Rep. Solis sponsored the Healthy Places Act. Aiming to make health assessment comparable to environmental assessment, the bill "establishes a process to incorporate all levels of government in community planning with the goal of designing communities which promote healthier living." The bill would set up an interagency working group, fund research grants, and make health assessment part of every community's planning process. Companion legislation was introduced in the Senate by then-Senator Barack Obama.

#### Solis on Card Check

In Congress, Solis has stood with organized labor to promote its principal legislative priorities—making union organizing easier and enacting "pay equity" regulation. With Democratic control of Congress and the White House, these proposals now have a much better chance of becoming law.

Solis was a co-sponsor of the Employee Free Choice Act (EFCA), also known as "card check." This legislation that would make it easier for unions to organize a workforce rapidly by abandoning secret ballot elections. Union organizers would need only to have workers sign cards agreeing to be represented by a union. The union would have to be recognized when 50 percent plus one signed the cards. Further, EFCA would impose binding arbitration on businesses and workers if the union and management could not agree to a contract on their own.

"I rise in strong support, as a family member from a strong union background," Solis said on the House floor last March during the debate over EFCA. She later concluded, "The unions always get a bad name by certain people in this area, but I'll tell you one thing–I'm very proud to stand with many of our union members, to see how they have revitalized our communities, especially in Los Angeles."

The day after her speech, Solis wrote an entry at the liberal Huffington Post website, arguing that "the current system stacks the deck against workers...The Employee Free Choice Act could end much of the bullying, coercion, and harassment of workers who want to join a union, and build common ground, lead to better wages and a stronger workforce." Solis wrote that when unions are stronger, workers earn more money. This in turn strengthens the surrounding communities and helps immigrants. "In this day and age when the number of women and new immigrants in the work force is increasing, it is important that they become a part of the American fabric," she wrote. "One of the ways to ensure that these new workers are skilled and valued members of the work force is to join a union."

Solis is also an advocate for so-called "pay equity." Last July, she took to the House floor to urge passage of the Paycheck Fairness Act, which calls for harsher penalties on businesses that are deemed to have unfairly paid men more than women. Opponents say the bill would overburden businesses with red tape, subject them to frivolous lawsuits, and that the government would rely on arbitrary data to determine whether wage discrimination was occurring. But Solis argued that "it's important to take care of all those that work in our society, but particularly women because they are the ones that are mostly discriminated against, and we have to cut that out."

During the Bush administration, both EFCA and the Paycheck Fairness Act sailed through the House, but they were blocked by Senate Republicans backed by the Bush administration. Unlike labor secretary Elaine Chao, who was a strong opponent of both bills, Secretary Solis is on record as a supporter. In the upcoming fight over them, labor unions will be able to count on her.

#### After Elaine Chao

As she pushes for passage of union-friendly legislation, Secretary Solis will enjoy control over a department with a roughly \$50 billion budget and nearly 17,000 employees. Unions are well-aware that a labor secretary can take many actions "under the radar" that can have a profound impact on the way business is conducted.

The Department of Labor is typically thought of as an agency that runs jobtraining programs and oversees business conduct regarding labor grievances. But Secretary Chao took another role seriously–government's responsibility to make sure that a union's finances are transparent and accountable to its members. The Labor-Management Reporting and Disclosure Act, the department's website explains, "protects union funds and promotes union democracy by requiring labor organizations to file annual financial reports, by requiring union officials, employers, and labor consultants to file reports regarding certain labor relations practices, and by establishing standards for the election of union officers."

Here's the kicker: "The act is administered by the Office of Labor-Management Standards (OLMS)..."

Previous labor secretaries neglected the OLMS, which receives less than one percent of the department budget. But Chao fought to increase funding, stepped up audits of unions, increased disclosure requirements, and battled union corruption.

The labor department investigates unions when OLMS has reason to believe that the law has been violated. For instance, OLMS may act on a tip from a union member. Since 2001, the office has recovered \$93 million on behalf of union members by pursuing criminal court cases against union officials. During 2001-2008, OLMS secured 1,004 indictments and 929 convictions. It also stepped up audits of unions from 238 in 2001 to 791 in 2008, an increase of 232 percent.

But when the Democrats took over Congress after the 2006 elections, they cut OLMS funding by \$11 million below the administration's request, while voting for \$943 million more than what the Labor Department asked for its total budget. Solis voted to defeat a Republican amendment that tried to prevent the OLMS cut from \$47.8 million to \$45.7 million, well below the Bush administration's request for \$56.9 million. The AFL-CIO wanted to slash OLMS even further, back to 2001 levels.

Given Solis's cozy relationship with labor leaders, there's every reason to believe she will deemphasize the OLMS-an action that will go unnoticed by all but the most astute Labor Department watchers (including regular *Labor Watch* readers). A tame OLMS is likely to allow unions to operate with a freer hand.

Republicans tried to grill Solis about the OLMS during her confirmation hearing, but she would only tell Senator Mike Enzi (R-WY) that she believes, "whenever there's corruption, we have a responsibility to end that." She added that she would seek to be "balanced" in rooting out corruption in both unions and business.

Secretary Chao was regularly denounced for daring to monitor union finances, and she is accused of harming workers by loosening regulations on business. The pro-union advocacy group American Rights at Work even launched a "Shame on Elaine" website that declared, "Under Elaine's questionable 'leadership' the Department of Labor has turned into an agency that screws America's workers and enables corporate giveaways." Solis was a member of the group's board of directors, which is chaired by former Rep. David Bonior (D-MI) and includes AFL-CIO president John Sweeney, Sierra Club executive director Carl Pope, NAACP chairman Julian Bond and former senator John Edwards.

501(c)(4) lobby groups like American Rights at Work (2006 revenue: \$2.6 million) and its tax-deductible charitable affiliate, the American Rights at Work Education Fund (2007 revenue: \$721,000) longed for Chao's exit from the Labor Department. The "Shame on Elaine" website criticized her for making the department "a haven for corporate insiders and conservative ideologues" and accused her of nepotism because she is married to Senate Minority Leader Mitch McConnell (R-KY). In 2008, Democratic candidates typically scrambled for union support by pledging to install a "pro-labor" secretary. In announcing his selection of Solis, President-elect Obama made it clear that Solis's appointment is the fulfillment of that pledge.

"For the past eight years, the Department of Labor has not lived up to its role either as an advocate for hardworking families or as an arbiter of fairness in relations between labor and management," Obama said. "That will change when Hilda Solis is secretary of Labor. Under her leadership, I am confident that the Department of Labor will once again stand up for working families.... I know that Hilda will show the same kind of leadership and vision as secretary of Labor that she's showed in California and on the Education and Labor Committee by protecting workers' rights, from organizing to collective bargaining, from keeping our workplaces safe to making our unions strong."

In accepting his nomination, Solis said, "As secretary of Labor, I'll work to strengthen our unions and support every American in our workforce." She later added that, "We must also enforce federal labor laws and strengthen regulations to protect our nation's workers, such as wage and hour laws, and rules regarding overtime pay and pay discrimination." She might as well have added, "Unlike my uncaring predecessor..."

#### **Evasive in Confirmation Hearings**

During her January confirmation hearings before the Senate Committee on Health, Education, Labor and Pensions -- flanked by fellow Californians Sens. Dianne Feinstein and Barbara Boxer -- Solis dutifully outlined four areas she wanted to focus on as secretary: job training; fair worker pay and treatment; retirement security; and helping military veterans transition to the private sector.

But Solis also emphasized a new task for the Labor Department, one that exemplifies a preoccupation of the Obama administration and liberals in general: the creation of so-called "green collar jobs" developing alternative energy. This is an area in which Solis has already clashed with Chao.

In December 2007, President Bush signed the Energy Independence and Security Act, which included a provision that Solis coauthored for a "green jobs" program to be administered by the Secretary of Labor. In August, Chao drew fire from Solis for not moving on her pet program. Solis, along with Rep. John Tierney (D-Mass.) and her Senate allies Bernard Sanders (I-VT) and Hillary Clinton (D-NY), wrote a scorching letter to Chao.

"We wrote you in January of this year regarding our interest in seeing the Department quickly implement the program... As you are well aware, the statute specifies, in part, 'Not later than 6 months after the enactment of the Green Jobs Act of 2007, the Secretary, in consultation with the Secretary of Energy, shall establish an energy efficiency and renewable energy worker training program.' Unfortunately, we now find that the six-month deadline for establishing the program has elapsed. Further delay is unacceptable."

During her confirmation hearing, Senator Sanders asked Solis whether she would proceed with the program when she became secretary. "Yes," Solis responded, unable to contain a smile.

She was much less forthcoming with Republican senators. When Senator Enzi, the ranking Republican, asked whether she would continue the policy of allowing nonunion firms to compete with union firms for government construction contracts, Solis replied, "That is something that I am not able to speak to at this time, but would like to review and come back to you"

Senator Lamar Alexander (R-TN) asked whether she supported the 60 year-old provision of the Taft-Hartley Act that allows individual states to pass "right to work" laws granting workers the freedom to choose not to join a union. "I don't believe that I am qualified to address that at this time," she said. "That is not something that I have personally discussed with the President-elect"

Even when asked specific questions about the Employee Free Choice Act she said she could not voice an opinion, despite the fact that she was a co-sponsor of the legislation and a vocal advocate on its behalf.

Still, when you consider the questions and statements Democrats on the committee

made in support of Solis, you can tell what they expect of her appointment. Sen. Barbara Mikulski (D-MD) raised alarms over the state of the Woman''s Bureau of the Department of Labor. Mikulski advised, "We need to enforce existing laws on the books. Quite frankly, it's become moribund, it's been timid. It's become a timid and tepid bureau."

The presiding committee chairman Senator Ted Kennedy (D-MA) asked Solis, "As secretary, how will you ensure that Americans will have access to new jobs?"

Senator Sanders instructed Solis, "It's time to hear the needs and the pain of ordinary people in the halls of this Congress. And I think, for better or worse, a lot of that responsibility is going to rest on your very, very, able shoulders."

Sen. Tom Harkin (D-IA) told Solis: "I look forward working with you to hopefully making the Department of Labor a true department of *labor*. Not just a department of management and capital." He expressed specific concern about the 63 percent unemployment rate among Americans with disabilities, which he called "truly scandalous" and "a true blot on the American character."

The January issue of *Labor Watch* documented organized labor's high expectations for the Obama administration. Having spent millions of dollars and contributed thousands of man-hours to give the Democrats control of Congress and the White House, it seems that unions are thrilled and excited by the appointment of Hilda Solis to be Secretary of Labor. One of their own will get to make the rules of the game. Her fellow Democrats are counting on it.

*Philip Klein is Washington Correspondent for the American Spectator.* 

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# Please remember Capital Research Center in your will.

Terrence Scanlon, President

# **Labor**Notes

As a new team takes the field at the Labor Department and tries to take back some of the other team's gains, here's a final report on the Bush administration's labor record. The department's **Office of Labor Management Standards** (OLMS) announced its criminal enforcement record for December 2008. During December, OLMS secured six convictions, nine indictments, and about \$58,000 in payments and orders of restitution. That brings the department's eight-year run to 929 convictions, more than 1,000 indictments, and \$93 million-plus in restitution. Some charge that the former Labor Secretary Elaine Chao's department was "anti-union" but the OLMS notes, "The bulk of the cases involved the embezzlement of union funds."

Would the Employee Free Choice Act be unconstitutional? That was the question posed by **University of Chicago** law professor **Richard Epstein** in the **Wall Street Journal** in December. His tentative answer: yes, at least parts of it. Epstein explained, "It is commonly supposed that economic regulation is immune to constitutional challenge since the New Deal. That's not the case with this labor law." He focused on two provisions in the bill that will be taken up by the new Congress, card check and mandatory arbitration, and observed that both were open to serious legal challenge. Epstein wrote of card check: "There is simply no legitimate government interest in promoting unionization that justifies a clandestine organizing campaign which denies all speech rights to the unions' adversaries."

The new Congress will take up another piece of legislation that is also a union priority: the **Lilly Ledbetter Fair Pay Act.** According to a new legal memorandum by the **Heritage Foundation**'s **Andrew Grossman**, a better name might be the Let's Forget about Statutes of Limitations Act. Grossman points out that in the Supreme Court Case that spawned liberal outrage, "the Court's decision reflected both longstanding precedent and Congress's intentions at the time the law [Title VII of the Civil Rights Act] was passed." The plaintiff, one Lilly Ledbetter, had waited until 1998 to bring suit against Goodyear Tires for discrimination that allegedly took place in the 1980s, by a company foreman who was deceased at the time of the suit.

A January 8 letter signed by Congressmen G.K. Butterfield (D-NC), Gregory Meeks (D-NY), Edolphus Towns (D-NY), and Bobby Rush (D-IL) requests that the Labor Department monitor the **National Football League Players' Association**'s (NFLPA) search for a new executive director. "We would like to ensure the integrity of the search process and that the process is transparent, fair, and compliant with all applicable Department of Labor rule and regulations, and the NFLPA Constitution rules and by-laws," they wrote to Elaine Chao. This comes at a time when the NFLPA is involved in a number of controversies, including a ruling that the union had discriminated against older players in negotiating royalties with video game companies, and the decision to protest the suspension without pay of New York Eagles wide receiver **Plaxico Burress**, who likely broke the law when he accidentally shot himself in a nightclub in New York City in November.

In early January, a coalition of labor unions announced that they would file a friend-of-the-court brief in the challenge to get the **California Supreme Court** to throw out the voter approved constitutional amendment Proposition 8, which overturned the same court's decision to legalize gay marriages. No news yet on what the rank-and-file union workers have to say about the leadership's effort to toss out the will of the people.