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Campaign Finance Reform - Beck

Campaign finance - Beach

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

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	Approval or signature	[x]
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	Prepare reply	[ ]
	Discuss with me	[ ]
	For your information	[ ]
	See remarks below	[x]
From: Melissa Benton	Date: October 7, 1997	

Remarks: To follow is a further-revised Labor letter on H.R. 1625 (the Worker Paycheck Fairness Act). **Please advise by 4:30 p.m. today** if there are any problems with the revised draft, as we plan to clear the letter today.

To: Karen Tramontano
Sara Latham
Peter Jacoby
Joshua Gotbaum
Barry White
Larry Matlack
Debra Bond
Alice Shuffield
Anne Lewis
Elena Kagan
Robert Damus

cc: James Murr
Janet Forsgren

The Honorable William F. Goodling
Chairman
Committee on Education and the Workforce
U.S. House of Representatives
Washington, D.C. 20515-6100

Dear Chairman Goodling:

We understand that your Committee may consider H.R. 1625, the "Worker Paycheck Fairness Act," on October 8. I am writing to emphasize the Administration's opposition to H.R. 1625, and to urge your Committee not to report the bill.

This bill would make fundamental changes in the law governing the use of labor union dues or fees for activities apart from a union's statutory duty as the representative of employees ~~in dealing~~ with their employer. The Supreme Court's decision in Communications Workers v. Beck, 487 U.S. 735 (1988), sets out the basic principles in this area of federal law.

Under the Beck decision, ~~which governs the operation of union security clauses in collective bargaining agreements,~~ workers cannot be required to pay for union activities that are not germane to collective bargaining, contract administration, and grievance adjustment. Instead, workers are entitled to pay reduced agency fees to the union. This right is triggered by opting-out of union membership and objecting to the payment of full dues. Beck carefully balances the rights of dissenting workers with the rights of union members and the nature of labor unions as autonomous, democratically-governed organizations. ~~The Beck decision has been fairly and effectively enforced by the National Labor Relations Board and by the federal courts.~~

~~The Administration supports the principles embodied in the Beck decision.~~ H.R. 1625 would not codify the Beck principles; it would overturn them. Under the bill, a labor union would be prevented from using a worker's dues or fees for any political, social, or charitable activity without prior written authorization from the worker. This "opt-in" requirement is the exact opposite of the "opt-out" procedure created by Beck. Certainly, the requirement would be an unwarranted burden on workers and the union.

Moreover, H.R. 1625 would afford workers ~~who do not pay full union dues~~ the right to participate fully in union affairs, despite their refusal to financially support activities which are also endorsed by a majority of union members and which benefit the membership as a whole. This result is directly contrary to the Beck decision.

The Labor-Management Reporting and Disclosure Act guarantees that unions are democratically-governed organizations, by creating a bill of rights for union members and by providing for the fair and free election of union officers. In light of these protections, there is no basis for creating a special class of union members who enjoy all of the benefits of union membership but share only some of the ~~burdens~~ financial responsibilities.

The bill would also impose burdensome new financial reporting and disclosure requirements on unions, by amending the Labor-Management Reporting and Disclosure Act. ~~In 1993, the Department of Labor rescinded comparable regulations, because they would have imposed unwarranted costs on labor unions (particularly local organizations), without providing~~ corresponding benefits to union members. Under current law, workers who object to paying full dues ~~under a union security clause~~ are already entitled to union financial information, under procedures that do not burden local unions unnecessarily.

Imposing such unprecedented burdens on union members and their unions would infringe on their freedom of association and interfere with union democracy. Current law recognizes that workers join unions not simply to win benefits in their own workplaces, but to help shape the larger society. At this time, the law creates ample protections for the dissenting worker. I urge you not to upset this careful balance.

For all of the foregoing reasons, the Administration opposes the enactment of H.R. 1625. If H.R. 1625 were presented to the President, I would recommend that he veto the bill.

The Office of Management and Budget advises that there is no objection to the submission of this report and that enactment of H.R. 1625 would not be in accord with the Administration's program.

Sincerely,

Alexis M. Herman

cc: William L. Clay, Ranking Minority Member

Campaign finance - Beck

DRAFT

(LABOR)

Dear Senator:

Senate Majority Leader Trent Lott has offered an amendment to S. 25, the Bipartisan Campaign Reform Act of 1997, which would infringe on the rights of labor unions to spend their members' dues on legislative or political activities. I am writing to let you know that the Administration is strongly opposed to Senator Lott's amendment.

Simply put, the Administration believes that current law strikes the proper balance between the interests of workers who may object to union social and political activities and the interests of union members who support them. Federal election law already forbids unions from using dues payments to make campaign contributions. Under current federal labor law, workers cannot be required to pay for a union's social and political efforts--even where a union-security clause makes paying union fees a condition of employment. The Labor-Management Reporting and Disclosure Act, meanwhile, ensures that unions are democratically governed.

The leading case addressing the use of required union dues is the Supreme Court's decision in Communications Workers v. Beck (1988). Under Beck, workers covered by a union-security clause have the right to opt out of union membership and instead to pay reduced fees that cover only union activities related to collective bargaining. Because they are not union members, and do not pay full dues, workers who exercise their Beck rights may not participate in union affairs.

The Administration supports the principles embodied in the Beck decision, which has been effectively enforced by the National Labor Relations Board and by the federal courts. But the Lott amendment goes far beyond current law. Whether or not workers were required to pay dues as a condition of employment, prior written authorization from individual workers would be required before unions could spend dues to influence legislation, make their views on social issues known, or engage in a political campaign. Workers who refused to pay full dues, moreover, would still be entitled to all of the rights of union members.

Imposing such unprecedented burdens on union members and their unions would infringe on their freedom of association and interfere with union democracy. Current law recognizes that workers join unions not simply to win benefits in their own workplaces, but to help shape the larger society. At the same time, the law creates ample protections for the dissenting

worker. I urge you not to upset this careful balance. If the Lott amendment were accepted, I would recommend to the President a veto of S. 25.

Sincerely,

Alexis M. Herman

paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties.

"(C) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to the Commission, that the complaint is clearly without merit, the Commission may—

"(i) order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties; or

"(ii) if the Commission determines that there is insufficient time to conduct proceedings before the election, summarily dismiss the complaint.".

(b) REFERRAL TO ATTORNEY GENERAL.—Section 309(a)(5) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(5)) is amended by striking subparagraph (C) and inserting the following:

"(C) The Commission may at any time, by an affirmative vote of at least 4 of its members, refer a possible violation of this Act or chapter 95 or 96 of title 26, United States Code, to the Attorney General of the United States, without regard to any limitation set forth in this section.".

SEC. 508. INITIATION OF ENFORCEMENT PROCEEDING.

Section 309(a)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(2)) is amended by striking "reason to believe that" and inserting "reason to investigate whether".

TITLE VI—SEVERABILITY; CONSTITUTIONALITY; EFFECTIVE DATE; REGULATIONS

SEC. 601. SEVERABILITY.

If any provision of this Act or amendment made by this Act, or the application of a provision or amendment to any person or circumstance, is held to be unconstitutional, the remainder of this Act and amendments made by this Act, and the application of the provisions and amendment to any person or circumstance, shall not be affected by the holding.

SEC. 602. REVIEW OF CONSTITUTIONAL ISSUES.

An appeal may be taken directly to the Supreme Court of the United States from any final judgment, decree, or order issued by any court ruling on the constitutionality of any provision of this Act or amendment made by this Act.

SEC. 603. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act take effect on the date that is 60 days after the date of enactment of this Act or January 1, 1998, whichever occurs first.

SEC. 604. REGULATIONS.

The Federal Election Commission shall prescribe any regulations required to carry out this Act and the amendments made by this Act not later than 270 days after the effective date of this Act.

AMENDMENT NO. 1258

(Purpose: To guarantee that contributions to Federal political campaigns are voluntary)

Mr. LOTT. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 1258.

Mr. LOTT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all of section 501, and insert the following:

SEC. 501. PAYCHECK PROTECTION ACT.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding the following new subsection:

"(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

"(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activities in which the national bank or corporation, as the case may be, is engaged; and

"(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activities.

"(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time.

"(3) For purposes of this subsection, the term 'political activities' includes communications or other activities which involve carrying on propaganda, attempting to influence legislation, or participating or intervening in any political campaign or political party."

Mr. LOTT. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 1259 TO AMENDMENT NO. 1258

(Purpose: To guarantee that contributions to Federal political campaigns are voluntary)

Mr. LOTT. Mr. President, I send an amendment to the desk to my amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 1259 to amendment No. 1258.

Mr. LOTT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed to be inserted insert the following:

SEC. 501. PAYCHECK PROTECTION ACT.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding the following new subsection:

"(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

"(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activities in which the national bank or corporation, as the case may be, is engaged; and

"(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activities.

"(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time.

"(3) For purposes of this subsection, the term 'political activities' includes communications or other activities which involve carrying on propaganda, attempting to influence legislation, or participating or intervening in any political campaign or political party."

(b) EFFECTIVE DATE.—This section shall take effect one day after enactment of this Act.

Mr. LOTT. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 1260 TO AMENDMENT NO. 1259

(Purpose: To guarantee that contributions to Federal political campaigns are voluntary)

Mr. LOTT. I send a perfecting amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 1260 to amendment No. 1258.

Mr. LOTT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the word "SEC." in the pending amendment and insert the following:

501. PAYCHECK PROTECTION ACT.

(a) IN GENERAL.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding the following new subsection:

"(c)(1) Except with the separate, prior, written, voluntary authorization of each individual, it shall be unlawful—

"(A) for any national bank or corporation described in this section to collect from or assess its stockholders or employees any dues, initiation fee, or other payment as a condition of employment if any part of such dues, fee, or payment will be used for political activities in which the national bank or corporation, as the case may be, is engaged; and

"(B) for any labor organization described in this section to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used for political activities.

"(2) An authorization described in paragraph (1) shall remain in effect until revoked and may be revoked at any time.

"(3) For purposes of this subsection, the term 'political activities' includes communications or other activities which involve carrying on propaganda, attempting to influence legislation, or participating or intervening in any political campaign or political party."

(b) EFFECTIVE DATE.—This section shall take effect two days after enactment of this Act.

AMENDMENT NO. 1261

(Purpose: To guarantee that contributions to Federal political campaigns are voluntary)

Mr. LOTT. I now send an amendment to the desk to the language proposed to be stricken.

The PRESIDING OFFICER. The clerk will report.

Campaign finance - Beck

The Honorable William F. Goodling
Chairman
Committee on Education and the Workforce
U.S. House of Representatives
Washington, D.C. 20515-6100

Dear Chairman Goodling:

We understand that your Committee may consider H.R. 1625, the "Worker Paycheck Fairness Act," on October 8. I am writing to emphasize the Administration's opposition to H.R. 1625, and to urge your Committee not to order the bill reported.

This bill would make fundamental changes in the law governing the use of labor union dues or fees for activities apart from a union's statutory duty as the representative of employees in dealing with their employer. The Supreme Court's decision in Communications Workers v. Beck, 487 U.S. 735 (1988), sets out the basic principles in this area of federal law.

Under the Beck decision, which governs the operation of union-security clauses in collective bargaining agreements, workers cannot be required to pay for union activities that are not germane to collective bargaining, contract administration, and grievance adjustment. Instead, workers are entitled to pay reduced agency fees to the union. This right is triggered by opting out of union membership and objecting to the payment of full dues. (The union continues to owe such workers a duty of fair representation, however.) Beck carefully balances the rights of dissenting workers with the rights of union members and the nature of labor unions as autonomous, democratically-governed organizations. The Beck decision has been fairly and effectively enforced by the National Labor Relations Board and by the federal courts.

The Administration supports the principles embodied in the Beck decision. But H.R. 1625 would not codify those principles. Instead, it would overturn them. Under the bill, a labor union would be prevented from using a worker's dues or fees for any sort of social or political activity--and even, perhaps, for organizing and general litigation--unless it had prior written authorization from the worker. This "opt-in" requirement is the exact opposite of the "opt-out" procedure created by Beck. It seems premised on the false notion that union social and political activities are somehow suspect. Certainly, the requirement amounts to an unwarranted burden on those activities.

H.R. 1625 is directly contrary to the Beck decision in another important respect: the bill appears to allow workers who did not pay full union dues to participate fully in union affairs, despite their refusal to financially support activities which are endorsed by a majority of union members and which benefit the membership as a whole. This practice--representation without taxation--undermines the freedom of association of union members. The Labor-Management Reporting and Disclosure Act guarantees that unions are democratically-governed organizations, by creating a bill of rights for union members and by providing for the fair and free election of union officers. In light of those protections, there is no basis for creating a special class of union members who enjoy all of the benefits of union membership but share only some of the burdens.

H.R. 1625 contains other objectionable provisions as well. The bill would impose burdensome new financial reporting and disclosure requirements on unions, by amending the Labor-Management Reporting and Disclosure Act. In 1993, the Department of Labor rescinded comparable regulations, because they would have imposed unwarranted costs on labor unions (particularly local organizations), without providing corresponding benefits to union members. Under current law, workers who object to paying full dues under a union-security clause are already entitled to union financial information, under procedures that do not burden local unions unnecessarily.

For all of the foregoing reasons, the Administration opposes the enactment of H.R. 1625. If H.R. 1625 were presented to the President, I would recommend that he veto the bill.

Sincerely,

Alexis M. Herman

cc: William L. Clay, Ranking Minority Member

Campaign finance - Beck

U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR
WASHINGTON, D.C.

OCT 8 1997

The Honorable William F. Goodling
Chairman
Committee on Education and the Workforce
U.S. House of Representatives
Washington, D.C. 20515-6100

Dear Chairman Goodling:

We understand that your Committee may consider H.R. 1625, the "Worker Paycheck Fairness Act," on October 8. I am writing to emphasize the Administration's opposition to H.R. 1625, and to urge your Committee not to report the bill.

This bill would make fundamental changes in the law governing the use of labor union dues or fees for activities apart from a union's statutory duty as the representative of employees with their employer. The Supreme Court's decision in Communications Workers v. Beck, 487 U.S. 735 (1988), sets out the basic principles in this area of federal law.

Under the Beck decision, workers cannot be required to pay for union activities that are not germane to collective bargaining, contract administration, and grievance adjustment. Instead, workers are entitled to pay reduced agency fees to the union. This right is triggered by opting out of union membership and objecting to the payment of full dues. Beck carefully balances the rights of dissenting workers with the rights of union members and the nature of labor unions as autonomous, democratically-governed organizations.

H.R. 1625 would not codify the principles of Beck; it would overturn them. Under the bill, a labor union would be prevented from using a worker's dues or fees for any political, social, or charitable activity without prior written authorization from the worker. This "opt in" requirement is the exact opposite of the "opt out" procedure created by Beck. Certainly, the requirement would be an unwarranted burden on workers and the union.

Moreover, H.R. 1625 would afford workers the right to participate fully in union affairs, despite their refusal to financially support activities which are endorsed by a majority of union members and which benefit the membership as a whole. This result is also directly contrary to the Beck decision.

The Labor-Management Reporting and Disclosure Act guarantees that unions are democratically-governed organizations, by creating a bill of rights for union members and by providing for the

fair and free election of union officers. In light of these protections, there is no basis for creating a special class of union members who enjoy all of the benefits of union membership but share only some of the financial responsibilities.

The bill would also impose burdensome new financial reporting and disclosure requirements on unions, by amending the Labor-Management Reporting and Disclosure Act, without providing corresponding benefits to union members. Under current law, workers who object to paying full dues are already entitled to union financial information, under procedures that do not burden local unions unnecessarily.

Imposing such unprecedented burdens on union members and their unions would infringe on their freedom of association and interfere with union democracy. Current law recognizes that workers join unions not simply to win benefits in their own workplaces, but to help shape the larger society. At this time, the law creates ample protections for the dissenting worker. I urge you not to upset this careful balance.

For all of the foregoing reasons, the Administration opposes the enactment of H.R. 1625. If H.R. 1625 were presented to the President, I would recommend that he veto the bill.

The Office of Management and Budget advises that there is no objection to the submission of this report and that enactment of H.R. 1625 would not be in accord with the Administration's program.

Sincerely,

Alexis M. Herman

cc: William L. Clay, Ranking Minority Member

Campaign finance - Beck

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

Route Slip

To: See Distribution Below	Take necessary action	[ ]
	Approval or signature	[ ]
	Comment	[ ]
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	Discuss with me	[ ]
	For your information	[x]
	See remarks below	[x]
From: Melissa Benton	Date: October 7, 1997	

Remarks: To follow is the Labor letter on H.R. 1625 (the Worker Paycheck Fairness Act), as revised in response to our preliminary passback. Please advise as soon as possible if there are any problems with the revised draft, as we plan to clear the letter today.

To: Karen Tramontano (6-1122)
Sara Latham
Peter Jacoby
Joshua Gotbaum
Barry White
Larry Matlack
Debra Bond
Alice Shuffield
Anne Lewis
Elena Kagan
Robert Damus

cc: James Murr
Janet Forsgren

The Honorable William F. Goodling
Chairman
Committee on Education and the Workforce
U.S. House of Representatives
Washington, D.C. 20515-6100

Dear Chairman Goodling:

We understand that your Committee may consider H.R. 1625, the "Worker Paycheck Fairness Act," on October 8. I am writing to emphasize the Administration's opposition to H.R. 1625, and to urge your Committee not to report the bill.

This bill would make fundamental changes in the law governing the use of labor union dues or fees for activities apart from a union's statutory duty as the representative of employees in dealing with their employer. The Supreme Court's decision in Communications Workers v. Beck, 487 U.S. 735 (1988), sets out the basic principles in this area of federal law.

Under the Beck decision, which governs the operation of union-security clauses in collective bargaining agreements, workers cannot be required to pay for union activities that are not germane to collective bargaining, contract administration, and grievance adjustment. Instead, workers are entitled to pay reduced agency fees to the union. This right is triggered by opting-out of union membership and objecting to the payment of full dues. Beck carefully balances the rights of dissenting workers with the rights of union members and the nature of labor unions as autonomous, democratically-governed organizations. The Beck decision has been fairly and effectively enforced by the National Labor Relations Board and by the federal courts.

The Administration supports the principles embodied in the Beck decision. H.R. 1625 would not codify those principles; it would overturn them. Under the bill, a labor union would be prevented from using a worker's dues or fees for any political, social, or charitable activity without prior written authorization from the worker. This "opt-in" requirement is the exact opposite of the "opt-out" procedure created by Beck. Certainly, the requirement would be an unwarranted burden on workers and the union.

Moreover, H.R. 1625 would afford workers who do not pay full union dues the right to participate fully in union affairs, despite their refusal to financially support activities which are endorsed by a majority of union members and which benefit the membership as a whole. This result is directly contrary to the Beck decision.

The Labor-Management Reporting and Disclosure Act guarantees that unions are democratically-governed organizations, by creating a bill of rights for union members and by providing for the fair and free election of union officers. In light of these protections, there is no basis for creating a special class of union members who enjoy all of the benefits of union membership but share only some of the burdens.

The bill would also impose burdensome new financial reporting and disclosure requirements on unions, by amending the Labor-Management Reporting and Disclosure Act. In 1993, the Department of Labor rescinded comparable regulations, because they would have imposed unwarranted costs on labor unions (particularly local organizations), without providing corresponding benefits to union members. Under current law, workers who object to paying full dues under a union-security clause are already entitled to union financial information, under procedures that do not burden local unions unnecessarily.

Imposing such unprecedented burdens on union members and their unions would infringe on their freedom of association and interfere with union democracy. Current law recognizes that workers join unions not simply to win benefits in their own workplaces, but to help shape the larger society. At this time, the law creates ample protections for the dissenting worker. I urge you not to upset this careful balance.

For all of the foregoing reasons, the Administration opposes the enactment of H.R. 1625. If H.R. 1625 were presented to the President, I would recommend that he veto the bill.

The Office of Management and Budget advises that there is no objection to the submission of this report and that enactment of H.R. 1625 would not be in accord with the Administration's program.

Sincerely,

Alexis M. Herman

cc: William L. Clay, Ranking Minority Member

January 26, 1997

MEMORANDUM FOR ERSKINE BOWLES

FROM: JOHN HILLEY
PETER JACOBY

RE: ORGANIZED LABOR'S CONCERN WITH CODIFYING THE SUPREME COURT'S DECISION IN COMMUNICATIONS WORKERS v. BECK IN CAMPAIGN FINANCE REFORM LEGISLATION

Organized labor's high-profile participation in the last election cycle has intensified Republican efforts to include a codification of the Supreme Court's 1988 decision in Communications Workers v. Beck in any campaign finance reform legislation that passes Congress. It is likely that organized labor will want to know the President's position on this issue as soon as possible.

Background

In 1988 the Supreme Court decided in Communications v. Beck that a union may not, over the objections of *dues-paying nonmember employees*, expend funds collected from them on activities unrelated to collective bargaining activities.

The suit in Beck was brought by employees who chose not to become members of the union that represented them. They specifically objected to being required to pay union dues that were used -- in part-- for organizing, legislative lobbying, and participating in political events. The Court found that under federal labor law, Congress authorized compulsory unionism only to the extent necessary to ensure that those who enjoy union-negotiated benefits contribute to their costs. As a result, the Court held that non-member employees cannot be required to contribute to union activities "beyond those germane to collective bargaining, contract administration, and grievance adjustment." The practical effect is that in a workplace where a union represents non-members (i.e., a "closed" shop where every worker is not a union member), the union must charge these non-members "agency fees" at a level below regular union dues. This reduction reflects the percentage of a union member's dues spent on "non-representational" activities.

Since 1988, the implementation of Beck has been controversial. Labor unions have set up procedures to make sure that objecting employees are not required to pay for non-representational activities but full scale efforts to inform all union members and non-members of the rights under Beck have been spotty. Additionally, it has often proven difficult for objecting employees to determine the exact percentage of dues that are spent on non-representational activities. Enforcement of Beck rights ultimately falls to the National Labor Relations Board

(NLRB) where employees may file unfair labor practice charges against any union. Critics charge that the NLRB has been slow in acting on Beck cases and rather than issuing general rules, has considered Beck issues on a case-by-case basis. The NLRB's first decision in this area was not issued until late 1995 and it is currently under appeal. Finally, a proposed rulemaking implementing Beck, which was first issued for comment in 1992, was withdrawn in 1996 by the NLRB to allow them to consider the outcome of several pending Beck cases.

Since the 1988 decision, organized labor has strongly, and successfully, fought consistent Congressional Republican efforts to implement the Beck holdings through statute. These efforts reached their zenith in 1996 when the House considered the Republican leadership's campaign finance reform bill which included a broad codification of Beck. The measure was ultimately defeated, however, in part by moderate, pro-labor Republicans voting against the codification language. Unions argue that since 1947 they have been prohibited from using dues money to make campaign contributions. Additionally, under the Federal Elections Control Act (FECA) union political expenditures can only be financed by voluntary contributions through political action committees. Finally, unions are specifically allowed to use their dues to communicate with their members "on any subject" and to conduct "non-partisan voter registration and get-out-the-vote campaigns ... aimed at members and their families."

In the new Congress, Republican leaders in both Houses have already gone on the offensive. Republican campaign finance reform rhetoric now includes obligatory calls to "codify the Beck decision", as well as references to union dues as the only source of involuntary campaign spending. On the first day of the session, Senators Lott and Nickles introduced a measure to codify Beck as one of the Senate Republican leadership's first bills. In the House, Congressman Bill Thomas (R-CA), chairman of the House Oversight Committee, is considering similar legislation. In the past, Congressional Republicans have tried to broaden the codification of Beck to include all *union members* as well as the non-members represented by unions that were addressed in the original decision. This expansive codification is expected to be the focus of Republican leadership efforts in the current Congress.

Talking Points for Meeting with Organized Labor

- The President has declared his strong and serious commitment to passing comprehensive, bipartisan campaign finance reform legislation this year.

- The President has also stated that one of his core principles for campaign finance reform is that a bill must not favor one party over the other. Therefore any provision in the bill which disadvantaged one party over the other would seriously concern the President

- He understands that any campaign finance vehicle is extremely likely to attract a Beck codification provision. If such a provision is so broad that it would disadvantage one party over the other, that provision would be opposed by the White House.

- As a practical matter, it would be useful to know if there is any version of language to codify Beck that is acceptable to the unions. It is always a better strategy to have an acceptable alternative to support in the face of an unacceptable provision.

- We will work closely with you at every step of the legislative process. We are aware of your concerns and would like to satisfactorily address the Beck issue as this bill proceeds.