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## CONGRESSMAN ED CASE 2ND DISTRICT, HAWAII

ISLANDS OF HAWAII, MAUI, KAHOLAWE, LANA'I,  
MOLOKA'I, O'AHU (WINDWARD, NORTH SHORE,  
CENTRAL, LEEWARD), KAUAI AND NI'HAU,  
AND NORTHWESTERN HAWAIIAN ISLANDS

January 2006

**COMMITTEES:**

**BUDGET**

**AGRICULTURE**  
LIVESTOCK AND HORTICULTURE  
(RANKING MEMBER)

CONSERVATION, CREDIT,  
RURAL DEVELOPMENT AND RESEARCH

**SMALL BUSINESS**  
TAX, FINANCE AND EXPORTS

REGULATORY REFORM  
AND OVERSIGHT

RURAL ENTERPRISES, AGRICULTURE  
AND TECHNOLOGY

### 2005 LABOR REPORT

Dear Friend:

As we begin a new year together, we also mark a full half decade throughout which the needs and interests of working Americans generally and organized labor specifically have not been well served by our federal government.

The 109<sup>th</sup> Congress (2005-2006) is proving every bit as difficult in a whole range of issues affecting working people as were, under the same current administration and congressional majority, the 108<sup>th</sup> (2003-2004) and 107<sup>th</sup> (2001-2002). From overall federal budgeting, taxation and spending, to international trade, Social Security and our safety net, health care, pensions, affordable housing, worker rights and protections, and unions and collective bargaining, the overall federal direction has been unsympathetic, one of division rather than consensus, of exclusion rather than inclusion, and of benefit to the few at the expense of many.

There have been some isolated successes along the way. The country's rejection of the administration's specific initiatives on Social Security is one example, and passage of the five-year federal surface transportation authorization law that funds, directly or indirectly, hundreds of thousands of jobs to improve our infrastructure is another. Here at home, continued investment by our federal government in our nation's defense capabilities and our successful effort to save Pearl Harbor Naval Shipyard have contributed to lower unemployment than much of the rest of our country.

Yet the overall direction from Washington must be viewed as generally unfriendly if not frequently outright hostile to labor America. This is therefore a time when it is especially important that state and local governments and communities and organizations work very closely with their Congressional delegates and national representatives to share information and needs, access available and often-overlooked federal resources, and coordinate related efforts.

That is the overall purpose of this 2005 report. Below I summarize just some of many national labor-related issues and my related actions over the year. I also tell you about my congressional office and how we can and want to help you, whether labor-related or otherwise.

Especially important for me is a quick survey of your and your organization's views and needs. This is invaluable to my continued efforts on your behalf as we start into what will be a most difficult 2006 session, and I appreciate your prompt response.

Finally, I emphasize my willingness to meet with you and your organization at our mutual convenience. For me nothing replaces this personal give and take, and I encourage you to contact my office to set up such a meeting and to ask me to participate in your events.

It is my great privilege to serve you and yours in our Congress. I truly look forward to continuing to work with you on our mutual efforts toward a better Hawaii, country and world.

With aloha,

**Ed Case**

ED CASE  
United States Congressman

### **A. Selected Labor Issues in the 109<sup>th</sup> Congress (2005-2006)**

#### **1. Federal Budget, Taxes and Spending**

By far the most all-encompassing challenge continuing to face all Americans, especially working people, is the ongoing deterioration in our federal budget. We have gone from federal government surpluses just five years ago, to the worst annual deficits in our nation's history. As a result of these ongoing annual deficits, we have also seen the fastest increases ever in our nation's total debt: now over \$8 trillion, up over \$2 trillion just since I began representing Hawaii in Congress in 2002.

These are not just artificial numbers without meaning, but real facts with far-reaching consequences. The most immediate is that interest on our national debt is the fastest growing single component of federal spending, diverting resources from real needs, with more and more being paid to the foreign countries that are increasing financing our deficits with their lending. Beyond that, we see increased efforts to restrict if not eliminate key government programs of benefit to needy Americans.

The cause of this budget crisis is not, contrary to the representations of the administration, the war in Iraq and Afghanistan or Gulf Coast hurricane recovery. It is the combination of (1) the fastest increases in federal spending since the mid-1960s (in some part our anti-terrorism efforts, but also tens if not hundreds of billions in subsidies to business, as well as increased spending on key programs like Social Security and Medicare), and (2) the broadest and deepest tax reductions in decades, aggregating around \$2 trillion over ten years and heavily favoring the top income brackets. Our budget can absorb one, or the other, or some reasonable combination of the two, but it can't absorb both huge spending increases and huge revenue reductions without severely damaging our basic fiscal solvency and destroying our ability to deliver core government services.

This is why earlier this year I opposed the Fiscal Year 2006 budget resolution proposed by the current congressional majority and supported by the administration, and why in the last few months I also voted against three related measures. The first, referred to as the FY06 spending reconciliation bill, would cut around \$40 billion from indispensable programs like Medicaid. The second, referred to as the FY06 revenue reconciliation bill, would permanently extend what were initially presented as jump-starting temporary upper income tax cuts at a revenue cost of some \$60 billion (thus, together with the spending reconciliation bill, leading to an increase in the deficit.) The third, the FY06 Labor, Health and Human Services and Education appropriations bill, failed to adequately fund key programs for our nation's most needy and for the federal share of the costs of No Child Left Behind, Individuals with Disabilities Education, and other federal education initiatives.

This debate will only intensify this year as we see the continuation, if not acceleration, of a determined effort to undo a basic social contract that has served our country well over the last several decades.

## 2. Social Security and Medicare

Social Security and Medicare are two pillars of that social contract. Over 40 million Americans now depend on these time-tested programs for basic income and health needs, a number that will accelerate rapidly over the next decade as the baby boom generation becomes eligible.

These demographics present basic challenges to the longterm solvency of both programs, and the reality is that hard decisions will be necessary to preserve both. But most unfortunate in this necessary debate have been proposals by the current administration and majority that in fact would severely harm, if not end, those programs as we know them.

The administration's "privatization" of Social Security, for example, would have increased our national debt by an estimated \$2 trillion and led to millions of Americans being without basic income security when they most needed it. I and most of my colleagues, as well as most Americans, opposed it.

Similarly, the administration's Medicare prescription drug coverage has thus far not been received well by our nation's seniors, who are now discovering why I and many of my colleagues, although we support such coverage, voted against the specific administration/majority proposal. Besides simply being incredibly confusing, it has huge gaps in coverage where many Americans need it most, and continues to protect our drug companies against competition from reimportation and from any bulk purchase negotiations by our federal government.

These battles will also continue this year as we see continued efforts in D.C., masked and spun as program improvements, to alter them beyond recognition.

## 3. Pension Reform

2005 was, of course, an especially hard year for millions of working and retired Americans looking to their pensions for income security in their senior years. Hardest hit were private sector

workers with defined benefit plans, as their employers, from airlines to financial institutions to manufacturers and beyond, found ways, through bankruptcy or otherwise, to either renegotiate the reduction of hard-earned benefits under threat of termination, or to terminate them, or, most unfair of all, terminate them after renegotiation. This in turn placed a severe strain on the federal government's pension insurance system – through the Pension Benefit Guaranty Corporation – which at year end had unfunded liabilities of \$23 billion and climbing rapidly.

The roots of this crisis are broad and longstanding. In the big picture, they involve a growing disrespect by much of American business for the needs of their workforce as well as a general weakening of collective bargaining protections, along with increasing foreign competition and outsourcing to foreign countries of American jobs (see below.) But in addition, they lie in the longstanding underfunding of the PBGC, through both accounting mechanisms that lowered required contributions as well as employer premiums too low to cover realistic risk.

Efforts to fairly address this crisis continue in Congress. At year end, both House and Senate passed major pension reform bills aimed primarily at fixing the PBGC by prohibiting questionable accounting practices and increasing employer premiums; I voted for the House version (H.R. 2830.) Those bills will probably be taken up in a joint House-Senate conference committee early this year, where one of the principal unresolved issues is coverage of terminated pension plans for employees not otherwise fully covered by the PBGC, such as many in the airline industry; I have cosponsored bills and supported amendments and other initiatives to do so.

#### 4. International Trade and Outsourcing of U.S. Business and Jobs

Of principal concern to American workers, across-the-board but particularly in the manufacturing sector, is unfair foreign competition and, worse, the decision by many American businesses to relocate their operations or, at a minimum, key portions of their workforce, overseas, to countries like China and India. This has had real-world consequences: job growth has been anemic, with many sectors seeing outright reductions, and with many jobs not keeping up with basic cost-of-living adjustments.

I do not believe that we can or should go back to the days of universal trade barriers such as tariffs on imported goods and price supports on domestic goods. But I do believe that “free trade” must be mutual and fair, especially in assuring that it maintains basic rights and protections for workers, or environment, consumers and others in our country, and improves those same rights and protections in other countries. Only in that way will the playing field be leveled and our American workers be able to compete fairly with foreign entities.

I supported some free trade agreements where I concluded those basic conditions had been met, such as with Singapore and Chile. But I opposed others where they clearly had not, most notably DR-CAFTA. The administration has every intention of bringing more such agreements to Congress this year, so this debate must and will continue.

Equally if not more disturbing has been the flight of American companies or portions of their operations overseas. Although I do not believe we can or should outright prevent a American company from operating overseas, my strong objection is to federal tax, subsidy, regulatory and

other laws and policies that give it a break for doing so and therefore incentivize the relocation of American jobs overseas.

Likeminded colleagues and I have introduced bills, offered amendments and undertaken other efforts to halt these destructive practices. For example, one such initiative would tax American companies that have reincorporated abroad to avoid paying taxes here. Another would deny certain government contracts to expatriate American companies. As you can imagine, under the current atmosphere in Washington most of those initiatives have not succeeded.

## 5. Immigration Reform

Last year saw the acceleration of debate over illegal immigration, which will certainly continue this year. With an estimated 10-20 million undocumented aliens (persons coming into or remaining in our country illegally) living and in millions of cases working in our country, this is a crucial and growing issue not just for our country as a whole, but for our workers.

The administration's primary goal is a "guestworker" program under which substantially increased numbers of foreign citizens would be allowed to come into our country temporarily to live and work legally. Many in Congress, myself included, believe that, before we even consider such a program, we must provide far more effective enforcement of our current laws. To this end, in December the House passed, with my vote, an immigration reform measure (H.R. 4437) which provides much-enhanced border security and a pre-employment verification requirement for employers.

This is an area in which, thus far, organized labor, both nationally and in Hawaii, has not especially become involved. I believe that illegal immigration generally and widespread employment of illegal immigrants specifically harms American labor because it takes jobs and depresses wages. I am puzzled by labor's relative silence, and especially welcome your thoughts on this vital and timely issue.

## 6. Federal Employee Collective Bargaining

Most federal employees have enjoyed the right to organize and bargain collectively for decades. This administration, aided by the current congressional majority, has initiated and continues specific efforts to undo those rights.

In 2005, the primary vehicle for doing so has been the so-called National Security Personnel System, applicable to many employees of the Department of Defense. Essentially this was and is a far-reaching personnel management initiative that was authorized, over the no vote of me and many colleagues, in the 108<sup>th</sup> Congress. A similar initiative was included in the earlier legislation creating the Department of Homeland Security.

At the time, DOD assured Congress and federal employees, as DHS had earlier, that it would implement the NSPS in a way that respected the rights of its employees and preserved basic collective bargaining. In August, a federal judge struck down DHS's resulting system on the grounds that they did not ensure collective bargaining. In October, DOD came out with the comparable NSPS, which no doubt will be similarly challenged in court.

The final outcome of DOD and DHS system revisions is not certain. What is clear is that the current administration's intention is to seek to expand these initiatives federal government-wide, and that the current congressional majority does not stand in the way.

## 7. Private Sector Collective Bargaining

The basic rights of workers to organize and bargain collectively which federal law has sought to ensure for many decades have clearly been eroding. The Employee Free Choice Act, introduced in the Senate by Senator Kennedy and in the House by Congressman George Miller (H.R. 1696), is a major initiative to restore those rights and regain balance in the employer-employee relationship by, among other provisions, allowing union certification without a full election, providing a better process for the bargaining of an initial agreement, and toughening penalties for certain unfair labor practices. I am a cosponsor of the House bill, as I was the 108<sup>th</sup> Congress version. Thus far, the current congressional majority has not allowed it to advance to a vote in committee or otherwise.

## 8. Davis-Bacon

The federal Davis-Bacon Act and its state counterpart, little Davis-Bacon, are crucial to the welfare of our workers on government jobs specifically and all workers generally. This is especially true here in Hawaii as we continue with the largest infusion of federal contracts in our history.

Shortly after the Gulf Coast disaster, the President by executive order suspended the application of Davis-Bacon to federal reconstruction efforts there. I immediately joined other colleagues in introducing legislation and signing joint letters to reverse this order. Although the President did in fact rescind his order because of our efforts, the incident serves as just another reminder of the willingness of his administration, too often assisted by the congressional majority, to act contrary to the interests of America's working people.

## **B. Your Congressional Office**

### 1. Office Mission and Resources

Overall, my job is to represent the people of my district and our Hawaii in our federal government to the best of my ability. That means being your voice on the great issues of our day, labor-related and otherwise, listening to your concerns, letting you know what your government is doing, and helping you on your individual problems whenever and however I can.

I have a full-service congressional office in Washington, D.C. and throughout my Hawaii district to assist me in performing my duties. More information on my office and activities and opportunities can be found on my website at [www.house.gov/case](http://www.house.gov/case).

### 2. Contact Information

This is how you can contact me and my office:

Washington Office

115 Cannon House Office Building  
Washington, DC 20515  
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Molokai: 552-0160

e-mail: [ed.case@mail.house.gov](mailto:ed.case@mail.house.gov)

3. Your Issues, Thoughts and Concerns

I'd very much like you to contact me with any thoughts, questions, comments or concerns facing you and your community. Also, please feel free to contact any of my staff, particularly my legislative assistant for labor issues, Russell Kudo, at either (202) 225-4906 or [russell.kudo@mail.house.gov](mailto:russell.kudo@mail.house.gov). The contact information for my entire staff and a list of their issue areas can also be found at [www.house.gov/case/staff](http://www.house.gov/case/staff).

4. Casework

A vital part of my efforts on behalf of Hawaii citizens is what we refer to as "casework", which means our undertaking to help you with individual issues, especially those involving our federal government. These issues can range from immigration, to housing, Social Security, Medicare and veterans benefits. We welcome your contacting us to see how we might be able to assist you with these matters. Please feel free to contact my casework specialists, Jackie Conant and Liane Ashikawa, directly.

5. Signup for Congressional E-mail Newsletter

I use an e-newsletter to provide frequent updates about what's happening in Washington D.C. as well as my 2nd Congressional District and to ask for input. If you haven't signed up and would like to receive these e-mails, please log onto my website at [www.house.gov/case/email\\_list](http://www.house.gov/case/email_list), or you can call or email at the above contacts to be put on our list. I may occasionally ask you to fill out electronic surveys, but I will never release your contact information to anyone else. If you have already signed up, thank you; you do not need to submit your name again.

6. Other Federal Grants and Resources

There are many opportunities for federal grants and other assistance which are not directly tailored to labor organizations or your members. You can go to my website for information on such grants and resources and other aspects of our federal government. There, for example, you will find contact information for federal offices in Hawaii, resources compiled by the

Congressional Resource Center, and a link to the Catalog of Federal Domestic Assistance ([www.cfda.gov](http://www.cfda.gov)). This Catalog includes a listing of about 1,500 federal grant and assistance programs and includes a useful search engine.

### 7. Keeping in Touch

Staying in touch with you and our Hawaii's working people is essential not only to recognizing your invaluable contributions, but to representing you in Congress both individually and collectively and to assisting with Hawaii-specific challenges. I have been fortunate now to join you and speak at many organized labor events statewide, whether Labor Day and other ceremonies, or meetings with individual unions and your members, or otherwise.

My Talk Story community meetings districtwide have also been invaluable to keeping up on community and state issues and to gaining invaluable input on the national and international issues I face in Congress. I did 50 in 2005 throughout Hawaii as well as with Hawaii's own 29<sup>th</sup> Brigade Combat Team in Fort Polk, Louisiana and Balad, Iraq

My point here is that we can accomplish more together and I can focus on your needs better if and as we stay in touch. I am always willing to try to work into my schedule a meeting with you and yours or attendance at an important event, and encourage you to call on me for such needs and opportunities. Please contact Roberta Weatherford in my Honolulu office at (808) 541-1986 or by email at [roberta.weatherford@mail.house.gov](mailto:roberta.weatherford@mail.house.gov).

### C. This Report Online

For your convenience and use, I have placed a copy of this report online under the newsletter section of my website at [www.house.gov/case/newsletter](http://www.house.gov/case/newsletter).

### D. Labor Community Survey

In order to better understand and serve your needs and the overall needs of Hawaii organized labor, I have attached a short survey. I have included my address on the back of this sheet, so when you are finished, just fold the survey in half, tape it closed, and stamp and mail. Or, fax it to my office at 808-538-0233. In the alternative, you can also email your response to me c/o Liane Ashikawa at [liane.ashikawa@mail.house.gov](mailto:liane.ashikawa@mail.house.gov). I greatly appreciate your time and input.



CONGRESSMAN ED CASE  
2005 HAWAII LABOR SURVEY

(Optional) Name:  
Address:  
E-mail:

1. What federal issues are of the most concern to you and your members?
2. On what Hawaii issues would you most like federal assistance?
3. What information or assistance do you need from me and my office?
4. Please list any other questions, needs or concerns.

Congressman Ed Case  
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