

HOUSE BILL REPORT

SHB 1832

As Passed House:
March 2, 2011

Title: An act relating to protecting the rights of employees of service contractors at certain airports.

Brief Description: Addressing the rights of employees of service contractors at certain airports.

Sponsors: House Committee on Labor & Workforce Development (originally sponsored by Representatives Upthegrove, Moscoso, Fitzgibbon, Stanford, Pettigrew, Sells, Goodman, Roberts, Green, Frockt, Kenney and Ormsby).

Brief History:

Committee Activity:

Labor & Workforce Development: 2/11/11, 2/15/11 [DPS].

Floor Activity:

Passed House: 3/2/11, 52-44.

Brief Summary of Substitute Bill

- Establishes various notice, employment, and labor peace agreement requirements.
- Makes these requirements applicable to the termination or nonrenewal of certain service contracts at airports in counties with a population of 1 million or more.

HOUSE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Sells, Chair; Reykdal, Vice Chair; Green, Kenney, Miloscia, Moeller, Ormsby and Roberts.

Minority Report: Do not pass. Signed by 5 members: Representatives Condotta, Ranking Minority Member; Shea, Assistant Ranking Minority Member; Fagan, Taylor and Warnick.

Staff: Jill Reinmuth (786-7134).

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background:

Municipalities, including counties, cities, towns, and port districts, are authorized to establish and operate airports. Municipalities are granted the authority to confer the privilege of supplying services to airports, and to exercise incidental powers.

The state also may operate airports. The Department of Transportation (Department) is granted the authority to confer the privilege of supplying services at airports. The Department also may establish the terms and conditions and fix the fees for such privileges.

Summary of Substitute Bill:

Notice, employment, and labor peace agreement requirements are established. These requirements apply to the termination or nonrenewal of certain service contracts by certain awarding authorities.

A "service contract" is a contract to perform food and beverage, retail, security, or janitorial services at an airport. An "awarding authority" is any person, including the municipality or a contractor, who awards a service contract at an airport in a county with a population of 1 million or more. A "contractor" is a person who enters into a service contract with an awarding authority (and their subcontractors) who employ 10 or more persons.

Notice Requirements.

The contractor and awarding authority are required to:

- give advance notice to a contractor and the exclusive bargaining representative of any of the contractor's employees of the termination or nonrenewal of the service contract as soon as reasonably practicable after the awarding authority knows or decides it will be terminated or not renewed; and
- provide the contractor and the exclusive bargaining representative with the name, address, and telephone number of the successor contractor, if known.

The terminated contractor is required to:

- provide the successor contractor with the name, date of hire, and classification of each of the terminated contractor's employees at sites covered by the service contract not later than three days after receipt of the notice;
- provide the successor contractor with updated information on the termination date; and
- provide the information to the awarding authority not later than three days after receipt of the notice if the awarding authority fails to notify the terminated contractor of the successor contractor's identity.

Employment Requirements.

The successor contractor is required to:

- retain certain employees employed by the terminated contractor during the six-month period preceding the termination or nonrenewal of the service contract;
- offer employment to employees employed by the terminated contractor during the six-month period preceding the commencement of the successor contractor's operations and who are engaged in operations of the terminated contractor that have not ceased;
- hand-deliver a written offer of employment to employees who are entitled to retention or employment in a specified form and in their native language or another language in which they are fluent;
- retain these employees for at least 90 days and, during the 90-day period, not discharge these employees without just cause; and
- offer continued employment to these employees if their performance during the 90-day period is satisfactory.

The successor contractor is also required, if fewer employees are required by the successor contractor than the terminated contractor, to retain employees by seniority within job classifications. The successor contractor is not required to retain employees whose attendance and performance records would lead a reasonably prudent employer to terminate the employees.

A statutory cause of action against the awarding authority, the terminated contractor, or the successor contractor is provided for employees displaced or terminated in violation of the employment requirements. Courts are authorized to award back pay and order reinstatement to prevailing employees. Courts are required to award reasonable attorneys' fees and costs to prevailing employees. The statutory cause of action does not limit an employee's right to bring a common law cause of action for wrongful termination.

Labor Peace Agreement.

The term "labor peace agreement" is defined as an agreement with a labor organization that represents (or seeks to represent) a contractor's employees and that contains provisions under which the labor organization, and its members agree to refrain from engaging in picketing, work stoppages, boycotts, or other economic interference with the contractor's operations.

Contractors and subtenants are required to enter into labor peace agreements (and provide evidence of signed agreements) prior to executing certain leases and contracts, and also when responding to certain requests for proposal.

Service contracts are required to provide that airports have the right to impose penalties (including suspension or termination) and recover damages related to breaches of the labor peace agreement requirement.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony:

(In support) This bill addresses issues that the Port of Seattle's rules do not. It guarantees seamless transitions, and helps 1,500 workers keep their jobs. It will keep the port from contributing to the jobless recovery. It protects the port from the negative effects of work stoppages.

These requirements are common at other major airports across the country. These are good management practices. They ensure that there are experienced and well-trained people at Sea-Tac. Retention of these workers is essential to the quality of the safety and evacuation plans at the airport. There are also no changes for the Transportation Safety Administration to deal with.

A large number of workers are immigrants, single mothers, and people of color. Stable jobs are important to them. These jobs provide a sustainable wage and health insurance.

This bill is important for low-income communities that have seen devastating cuts to health care, integration, and language programs. These communities are facing disproportionate cuts, and are being made the scapegoats for an economic crisis they did not create.

This bill will give me and my co-workers the economic stability that we need. My family has a better life because of my job at SeaTac. It enables me to support my family, be a homeowner, and participate in my community. It enabled me to raise my family and put my kids through school. Losing these jobs would be devastating to the workers and the community.

(Opposed) None.

Persons Testifying: Stefan Mortiz and Geomar Nicolo, Unite Here Local 8; Roxan Seibel, United Food and Commercial Workers Local 21; David West, Puget Sound Sage; Lynn Domingo, Legacy of Equality, Leadership, and Organizing; and John Paul Chaison Cardenas, Washington Community Action Network.

Persons Signed In To Testify But Not Testifying: None.