

RESOLUTION 25: PROTECTING UNION JOBS AGAINST ANTI-COMPETITIVE CORPORATE BEHAVIOR

Major employers in industries across the country seek to consolidate market power to the detriment of workers and consumers. Historically, the federal anti-trust enforcers, U.S. Department of Justice (DOJ) and the Federal Trade Commission (FTC), have largely ignored American workers' and consumers' interests by allowing mega-mergers between major employers, which stifles competition, weakens workers' ability to negotiate wages and working conditions and raises the costs for consumers.

It doesn't have to be this way. For example, the two largest U.S. retail grocery store operators—Kroger and Albertsons/Safeway—recently sought to merge and control more than 20 percent of all U.S. grocery sales. This would have resulted in less grocery competition, increased consumer prices, reduced access to affordable groceries, store closures, job losses, and reduced bargaining power for unions representing hundreds of thousands of their workers seeking to provide food for American families. The FTC sued to block the merger, arguing it would not only hurt consumers, but would unlawfully concentrate the grocery worker labor market and increase the companies' leverage over their unions, to the detriment of workers. After the FTC sued, the grocery companies called off the proposed merger.

Too often, though, regulators ignore the impact of proposed mega-mergers on workers and unions. When evaluating a proposed merger, the FTC, DOJ, and state agencies must seek input from workers and unions and evaluate the merger's real-world effects on wages, working conditions, and union bargaining power. When necessary, these agencies should take legal action to block mergers that threaten this labor market Competition.

Additionally, government agencies have an obligation to use their remedial authority against employers engaging in anti-competitive and unfair trade conduct, such as wage-fixing, non-compete clauses, no-poaching agreements, training repayment requirements, worker misclassification and other practices that harm workers' and unions' ability to secure better wages and working conditions. We know that anti-competitive practices are happening in both unionized and non-unionized industries, resulting in significant wage reductions for workers, including for instance in the poultry industry, where nearly a half-billion dollars were recovered from poultry processors who unlawfully colluded to lower their workers' wages.

Thus, the AFL-CIO resolves to support efforts at the federal and state level to address mega-mergers and anti-competitive behavior that weakens workers and unions, and increases costs to consumers.

[SUBMITTED BY UFCW]