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House to Vote on Employment Bills; Business Says Costs to Rise

By Lorraine Woellert

Jan. 7 (Bloomberg) -- House Democrats plan votes this week on two measures that would make it easier for U.S. workers to win pay-discrimination lawsuits, overriding business groups' opposition.

One bill would let workers sue on a claim they are underpaid because of discrimination that occurred years earlier. It would undo a 2007 U.S. Supreme Court decision barring such lawsuits. The second measure would lift a cap on damages in pay-bias suits and restrict defenses that can be raised by employers. Majority Leader [Steny Hoyer](#), a Maryland Democrat, said the measures will be put to a vote on Jan. 9.

Business lobbyists say Speaker [Nancy Pelosi](#), of California, and other Democratic leaders are pushing the proposals to reward unions for supporting the party in November.

"It shows that labor won the election," said [John Engler](#), president of the National Association of Manufacturers. "There's no sugar-coating that."

[Randel Johnson](#), vice president for labor policy at the U.S. Chamber of Commerce, accused House Democrats of "ramrodding" the bills through without new hearings and a full floor debate.

"This is an ominous sign for business," Johnson told reporters on a conference call yesterday.

Labor leaders defended Pelosi's decision.

"The speaker intends to send a message that the House is going to focus on the needs of workers first," said [Bill Samuel](#), director of government affairs at the AFL-CIO. "This has nothing to do with payback to anybody."

Campaign Contributions

Labor unions gave \$68.4 million to candidates in the last election cycle, with 91 percent of it going to Democrats.

Business groups and executives gave \$1.8 billion, sending 54 percent to Democrats, according to federal elections data compiled by the Center for Responsive Politics, a non-profit government watchdog group in Washington.

The so-called Lilly Ledbetter Fair Pay Act and the Paycheck Fairness Act were vetted by committees in the last Congress and passed by the House. President [George W. Bush](#) threatened to veto both bills, and neither mustered enough Republican support to win the 60 votes needed to ensure a vote in the Senate.

The Ledbetter bill was crafted after the Supreme Court rejected a \$360,000 award to the Alabama worker for Goodyear Tire & Rubber Co., who said almost two decades of discrimination meant her salary was 15 percent to 40 percent lower than what her male counterparts earned. The court said Ledbetter couldn't sue under the 1964 Civil Rights Act.

Blocked in April

The House passed the Ledbetter measure in July 2007, and Senate Republicans blocked it last April.

The Paycheck Fairness Act, approved by the House in July, would allow higher punitive and compensatory damages in pay-discrimination suits and limit the range of employer defenses. It also would bar employers from penalizing workers who share salary information, helping detect pay discrepancies.

Senate Majority Leader [Harry Reid](#) said that chamber will vote on the Ledbetter measure as early as next week and will address the other bill later.

Business groups say the measures, if enacted, would increase costs and expose companies to more lawsuits.

"This scares the heck out of me," said Drew Greenblatt, owner of Marlin Steel Wire Products LLC in Baltimore. The privately held company makes wire baskets for manufacturers such as Toyota Motor Corp. and drugmaker Roche Holding AG.

Greenblatt, who has testified to Congress about small-business issues, said he expects the wage legislation to lead to higher premiums for his insurance protecting against lawsuits. His premium costs about 2 percent of his total payroll, he said.

"I have my health insurance going up and all these other costs going up," Greenblatt said. "I just want to make wire baskets."

To contact the reporter on this story: [Lorraine Woellert](#) in Washington at lwoellert@bloomberg.net. *Last Updated: January 7, 2009 15:47 EST*

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