

Andrew Davis
Chief of the Division of Interpretations and Standards
Office of Labor-Management Standards
U.S. Department of Labor
200 Constitution Avenue NW, Room N-5609
Washington, DC 20210

Re: [Labor Organization Annual Financial Reports: LM Form Revisions](#) (RIN: 1245-AA10)

Dear Mr. Davis,

The Economic Policy Institute (EPI) is a nonprofit, nonpartisan think tank created in 1986 to include the needs of low- and middle-income workers in economic policy discussions. EPI conducts research and analysis on the economic status of working America, proposes public policies that protect and improve the economic conditions of low- and middle-income workers, and assesses policies with respect to how well they further those goals. EPI submits these comments on the Department of Labor's Notice of Proposed Rulemaking regarding updates and revisions of the Form LM-2 and the establishment of the Form LM-2 Long Form (LF).

The Department proposes revisions to the Form LM-2 under the guise of transparency to help inform union members and the public of the financial integrity of labor unions. However, the Department drafted the proposed rule without first getting input from impacted parties, including unions and their members. Instead, the Department exclusively surveyed the Office of Labor Management Standards staff for their feedback on how to improve the Form LM-2. The proposed rule also states that the Department did not restrict themselves to the OMLS comments when drafting the revision to the Form LM-2.¹ As a result, the proposed rule imposes additional administrative burdens on unions without providing any revisions that would make it easier for union members and the general public to read the Form LM-2.

One of the most problematic changes in the Department's proposed rule is requiring labor unions to disclose the amount of their strike funds.² The Department argues the change would allow union members to know the health of their union's strike fund, which in turn would help members develop strategies for dealing with employers. However, the same can be said about employers having knowledge of the amount of a union's strike fund. The Department even recognizes that employers would benefit from the knowledge of a union's strike funding, especially during contract negotiations or during a bargaining impasse. The Department also concedes that the publicizing of strike funds could result in less favorable contracts, ultimately harming workers.³ The proposed change should be withdrawn.

In addition to requiring the disclosure of strike funds, the proposed rule also seeks comments on unspecified changes to the confidentiality exemption in the Form LM-2 and LF. EPI opposes the Department modifying, narrowing, or eliminating the confidentiality exemption, because the revealing

¹ 85 Federal Register at 64730.

² 85 Federal Register at 64735.

³ 85 Federal Register at 64735.

of such information may seriously inhibit a labor union’s organizing strategy and could cause harm to workers.

The Department proposes splitting the Representation Activities into two separate categories—Contract Negotiations and Administration and Organizing. The Department argues that these categories should be separated so members know how much money unions are spending in their organizing efforts and in representation activities such as contract negotiations. In doing so, the Department asserts a false dichotomy between organizing and representation activities. In reality, organizing and representation activities share the same common goal—to improve working people’s wages, benefits and working conditions. Furthermore, organizing helps increase union density and when unions are strong, they are able to set broad industry standards that non-union employers have to match in order to attract and retain workers.⁴ Since organizing and representation activities pursue a shared goal and are interwoven with each other, the category should remain combined.

The Department also proposes splitting the currently combined Political Activities and Lobbying category into two separate categories. The proposed rule states that the combined categories should be separated, because they differ in purpose and significance to union members.⁵ The Department later asserts that political activities are prone to create internal disagreement between union members, suggesting that such activities do not benefit all members.⁶ In contrast, the Department argues that lobbying activities are more relevant to the mission of labor unions by improving working conditions, suggesting lobbying activities benefit all members. However, the Department is incorrect to assert that political activities differ from lobbying since both are used by unions to advance the interests of their members. As a result, both activities serve the same core purpose of labor unions—improving working conditions.⁷ Therefore, the category should remain combined.

EPI strongly opposes the Department’s revisions to the Form LM-2 and the creation of the Form LM-2 Long Form. When drafting the rule, the Department of Labor failed to survey all parties who would be impacted by the proposed rule changes—including unions and their membership. As a result, the proposed rule creates additional administrative burdens on unions on a form that already can exceed 1,000 pages in length. Further, the proposed rule would disclose confidential information that would be harmful to unions and their members. Therefore, EPI urges the Department of Labor to withdraw this proposed rule.

Sincerely,

Margaret Poydock
Policy Associate
Economic Policy Institute

⁴ Celine McNicholas, Lynn Rhinehart, Margaret Poydock, Heidi Shierholz, and Daniel Perez, [Why Unions Are Good for Workers —Especially in a Crisis Like COVID-19](#), Economic Policy Institute, August 2020; see also Lynn Rhinehart and Celine McNicholas, [Collective Bargaining Beyond the Worksite](#), Economic Policy Institute, May 2020.

⁵ 85 Federal Register at 64742.

⁶ 85 Federal Register at 64742.

⁷ Josh Bivens, Lora Engdahl, Elise Gould, Teresa Kroeger, Celine McNicholas, Lawrence Mishel, Zane Mokhiber, Heidi Shierholz, Marni von Wilpert, Valerie Wilson, and Ben Zipperer, [How Today’s Unions Help Working People: Giving Workers the Power to Improve Their Jobs and Unrig the Economy](#), Economic Policy Institute, August 2017.