MACKINAC CENTER
FOR PUBLIC POLICY

July 23, 2019

Office of Information and Regulatory Affairs
Attn: OMB Desk Officer for DOL-OLMS
Office of Management and Budget
725 17th Street, N.W.
Room 10235
Washington, D.C. 20503

Re: Comments on Notice of Proposed Rule Making: Form T-1 Trust Annual Report, RIN 1245-AA09

The Mackinac Center for Public Policy is a nonprofit research and educational institute that advances principles of free markets and limited government. As such, the Mackinac Center is dedicated to freedom in the workplace and the mutually beneficial interaction between workers and job creators. We advocate for labor policy that supports worker freedom and choice and keeps the role of government neutral.

The transparency that the proposed Form T-1 Trust Annual Report would bring to the members of labor unions and workers covered by collective bargaining agreements is necessary. The information will help to ensure that union members have more information to maintain democratic control over labor organizations and assure proper accounting and management of members' dues. The information will also allow workers to hold their unions responsible for their promises.

One example of why the Form T-1 is necessary occurred in our home state of Michigan. The UAW Chrysler Skill Development & Training Program was created via a collective bargaining agreement and meant to provide for education, training, re-training and other programs. It has over $20 million in net assets. It was not subject to LM reporting requirements. It has been the subject of an ongoing federal investigation which has revealed misappropriation of and misuse of funds on such things like a $30,000 private party, an ornate Italian shotgun, extravagant meals, a $37,500 Montblanc pen, membership dues on condominiums, golf outings, and a Ferrari.

A simple internet search of similar UAW scandals further demonstrates why the Form T-1 is so necessary. There are many such funds used by unions in Detroit, such as the UAW-Ford National Programs (with almost $30 million in net assets) and the UAW-GM Center for Human Resources (with over $70 million in net assets). There

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are many other funds that would be subject to the Form T-1 reporting requirement located throughout the country.

Light is the best disinfectant and union members have the right to know how their dues raised by labor organizations — which are favored by the federal and state governments through tax-exemptions — are being used. The workforces covered by collective bargaining agreements — many of which create these training funds — have a right to transparency. Therefore, it is imperative that the Form T-1 be setup in such a way to include reporting about these types of training funds.

These training funds may only increase in the coming years after President Trump's executive order, "Expanding Apprenticeships in America," which was issued in the summer of 2017. As part of that executive order a task force was created which identified strategies and proposals to promote apprenticeships. A new federally funded website for apprenticeships has been released and the Department of Labor reports that since January 1, 2017, there have been over 536,000 new apprentices. States are also trying to increase apprenticeship and worker training programs. In Michigan new facilities and programs like the Michigan Statewide Carpenters and Millwrights Joint Apprenticeship program have been launched. These funds and efforts can respond to the concern regularly raised by employers that there aren't enough qualified high-skill workers available. To ensure that the funds do in fact help those workers they promise to help, transparency is needed — like that offered by the Form T-1.

Workers should be able to hold labor unions accountable, when needed. The Form T-1 will give workers a tool to do so.

Respectfully submitted,

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