



Written by [Brian Koenig](#) on September 4, 2013

Longshoremen Union Leaves AFL-CIO for Supporting ObamaCare

Citing ObamaCare and immigration reform, the 40,000-strong International Longshore and Warehouse Union (ILWU) has [ended](#) its affiliation with the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), one of the largest private-sector unions in the United States.

The move comes only days before the ILWU will hold its national convention in Los Angeles, the largest U.S. port and a stronghold for the federation. Representing dock workers in Hawaii, Alaska, Canada, and states along the West Coast, the ILWU has recently been involved in turf wars with other unions where jurisdictional battles have resulted in rival unions crossing ILWU picket lines.



In a [recent letter](#) to AFL-CIO President Richard Trumka, ILWU President Robert McEllrath laid out a number of reasons for their departure from the large union federation, but among one of the more notable grievances was the AFL-CIO's continued support for ObamaCare. The letter reads, in part:

The ILWU has also become increasingly frustrated with the Federation's moderate, overly compromising policy positions on such important matters as immigration, labor law reform, health care reform, and international labor issues. We feel the Federation has done a great disservice to the labor movement and all working people by going along to get along.

ILWU committeeman Leal Sundet [charged](#) that the AFL-CIO is "in lockstep with Obama," as the union seeks "to organize these big conventions, and rally to pat themselves on the back, doing nothing to promote the working-class."

McEllrath added that the Longshoremen union is particularly upset with the AFL-CIO for supporting the law's tax on "Cadillac" health plans, as the provision will impose a 40-percent excise tax on premiums above a specific threshold (\$10,200 for individual coverage and \$27,500 for family coverage).

"President Obama ran on a platform that he would not tax medical plans and at the 2009 AFL-CIO Convention, you stated that labor would not stand for a tax on our benefits," McEllrath continued in the letter. "Yet the Federation later lobbied affiliates to support a bill that taxed our health care plans."

Helen Darling of the National Business Group on Health, which represents over 250 employers, [says](#) the looming tax "is a big, big factor. Every employer as soon as the law was signed said we're not going to pay the Cadillac tax."

Ironically, labor unions that previously supported Obama's healthcare reforms are now changing their tune, branding the Cadillac tax as an exorbitant cost for employers. According to the [Society for Human](#)



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[Resource Management](#), the average health plan costs about \$10,522 per employee, which is \$322 more than the Cadillac thresholds mandated by ObamaCare. And a 40-percent tax on \$322 would translate into \$130 per employee, a lofty sum when considering businesses that employ thousands of workers.

Of course, as Beth Braverman of *Business Insider* [writes](#), employers of all sizes will suffer from the tax:

It's not just large companies that are worrying about the excise tax. "It's an issue for every single employer, particularly for state and local governments," says J.D. Piro, senior vice president of Aon Hewitt's health and benefits legal team. "Governments tend to offer more expensive health benefits than private businesses, and workers often accept lower wages in exchange for those benefits."

(For this reason, unions strongly objected to this provision in the law before it was passed.)

However, as noted above, labor unions were widely in support of the president's healthcare reforms, until layoffs, tax penalties, and fewer working hours began plaguing the workers they represent. In fact, in July three prominent U.S. unions sent a [scathing letter](#) to Democratic Senate leaders Harry Reid and Nancy Pelosi, warning that unless changes are made, ObamaCare will devastate labor traditions that have been commonplace for decades. "When you and the President sought our support for the Affordable Care Act (ACA), you pledged that if we liked the health plans we have now, we could keep them," the letter began. "Sadly, that promise is under threat. Right now, unless you and the Obama Administration enact an equitable fix, the ACA will shatter not only our hard-earned health benefits, but destroy the foundation of the 40 hour work week that is the backbone of the American middle class."

The letter, which was signed by Teamsters President Jimmy Hoffa and leaders of two other prominent labor unions, was sent after companies had slashed employee hours in order to avoid the 50-employee threshold that ObamaCare requires a business to provide health coverage or pay a penalty. The letter continued:

Like millions of other Americans, our members are front-line workers in the American economy. We have been strong supporters of the notion that all Americans should have access to quality, affordable health care. We have also been strong supporters of you. In campaign after campaign we have put boots on the ground, gone door-to-door to get out the vote, run phone banks and raised money to secure this vision.

The unions summed up their remorse: "Now this vision has come back to haunt us."



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