

April 2, 2025

Honorable Arthur J. Corvese Chairman, House Labor Committee Rhode Island State House 82 Smith Street Providence, RI 02903

RE: H5506 – AN ACT RELATING TO LABOR AND LABOR RELATIONS – EMPLOYEES' FREE SPEECH

Dear Chairman Ciccone and Honorable Members of the Committee:

As the Executive Director of Rhode Island Business Leaders Alliance (the "<u>Alliance</u>"), I am grateful for the opportunity to provide the House Labor Committee with this written testimony in opposition to H5506 – AN ACT RELATING TO LABOR AND LABOR RELATIONS – EMPLOYEES' FREE SPEECH, which aims to protect employees' free speech regarding political or religious matters by prohibiting employers from holding "captive audience" meetings with employees.

The Alliance is a group of Rhode Island business leaders, trade associations, and educational institutions who are concerned about seeing the Ocean State ranked at the bottom of national business climate surveys year after year and want to do something about it. We have come together in an unprecedented alliance with a positive, forward-looking vision for our state: to revitalize Rhode Island's struggling economy and to create broad-based economic growth and opportunity for all Rhode Islanders. Our group's ambitious goal is nothing short of the wholesale transformation of Rhode Island into a national model of economic competitiveness.

H5506 purports to protect "employee free speech" in the workplace. However, what H5506 actually does is limit the free speech of employers to educate and inform their employees about whether to join or support a "labor organization" (i.e., a union). More specifically, the bill prohibits employers from disciplining, discharging, or taking other adverse employment action against an employee for refusing to attend an employer-sponsored meeting, listen to a speech, or view communications about the employer's views about unionization. Such meetings are often referred to as "captive audience" meetings.

H5506 appears to be a solution in search of a problem. On November 13, 2024, the National Labor Relations Board ("NLRB") issued its landmark decision in *Amazon.com Services*, *LLC*, ruling that an employer violates the federal National Labor Relations Act ("NLRA") by requiring employees, under the threat of discipline or discharge, to attend employer-sponsored meetings for the employer to express its views on unionization. In doing so, the NLRB overruled a 76-year old precedent that recognized the free speech rights of employers to hold such meetings.

The NLRA preempts state laws that conflict with its provisions or attempt to regulate areas already covered by the NLRA. This principle is rooted in the Supremacy Clause of the U.S. Constitution, which establishes that federal law takes precedence over conflicting state laws. Specifically, the NLRA preempts state laws that regulate union organizing, collective bargaining, and unfair labor practices, as these areas are exclusively governed by the NLRA. Accordingly, state-level efforts like H5506 to ban captive audience meetings are likely preempted by the NLRA, meaning that the NLRB's ban on captive audience meetings is controlling and state level regulation in this area is unconstitutional.

In addition to federal preemption issues, H5506 will have a serious chilling effect on employers seeking to hold <u>voluntary</u> meetings with their employees to discuss whether to join or support a union. Prior to the NLRB's November 2024 ruling in *Amazon.com Services, LLC*, employers held "captive audience" meetings for the following legitimate reasons:

- 1. Expressing the Employer's Philosophy on Unionization: Employers held "captive audience" meetings to explain their views and opinions on unions, emphasizing why they believed unionization would not be in the best interests of the company or its employees. These meetings often highlighted the employer's preference for maintaining open, honest, and direct communication with employees without the involvement of an unnecessary third party intermediary, such as a union.
- 2. Educating Employees About Unionization: Many employees are unaware about the implications of unionization, including the potential costs associated with union membership (e.g., union dues, initiation fees) and the realities of collective bargaining. "Captive audience" meetings were used to clarify common misconceptions about the unionization process and employee rights and employer obligations under the NLRA.
- 3. Addressing Employee Concerns: "Captive audience" meetings provided a valuable opportunity for employers to address specific questions or concerns that employees had about the terms and conditions of their employment and the impacts that unionization would have on those terms and conditions.

- 4. *Highlighting Existing Employee Benefits:* Employers used "captive audience" meetings to remind employees of the valuable employee benefits they already received, such as paid leave, health insurance, and other perks. They also used these meetings to emphasize that employee benefits were not guaranteed to improve or change through collective bargaining.
- 5. Countering Union Misinformation Campaigns: Employers used "captive audience" meetings to respond to false, misleading, and inaccurate information shared during unionization campaigns, pointing out that unions can make lofty promises during organizing efforts but cannot guarantee outcomes without the employer's agreement through collective bargaining.

By creating a private right of action for disgruntled employees who believe that they have been "penalized" for refusing to attend a voluntary informational meeting or listen to a speech about whether to join or support a labor organization, H5506 will muzzle employer free speech. If employers believe that the only information that they can share with their employees is information that they are required by law to communicate or that is necessary for employees to perform their jobs, they will be placed at a distinct disadvantage when trying to respond to a unionization campaign in their workplace. Accordingly, based on the foregoing, the Alliance opposes H5506.

Thank you for your time and consideration, and please feel free to contact me to continue this important conversation.

Respectfully submitted by:

Gregory Tumolo

Gregory Tumolo, Executive Director Rhode Island Business Leaders Alliance