

Congress of the United States
Washington, DC 20515

July 2, 2013

President Barack Obama
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President:

Employees of private contractors and concessionaires operating in federally owned buildings in Washington, D.C. and with other federal concession contracts throughout the United States have visited members of the Congressional Progressive Caucus to report serious job-related and wage concerns. Many of these employees work at iconic federal sites, such as Union Station, the Smithsonian, the Ronald Reagan Building and the National Zoo. They report that they are paid so little that it is difficult to meet basic needs, that they work without benefits, and that they are sometimes required to work unpaid and unreported overtime in violation of wage and hour laws. To press for better treatment, these workers have begun organizing labor unions, which is protected by federal law. On May 21, 2013, they staged a one-day strike.

The federal government cannot avoid responsibility when wages significantly below a living wage are paid to workers on federal premises or with federal funds. The widespread selection by federal agencies of vendors and contractors that pay their employees low wages was documented in a recent Demos report, entitled *Underwriting Bad Jobs: How Our Tax Dollars Are Funding Low-Wage Work and Fuelling Inequality*. A great variety of vendors and contractors that pay their employees low wages provide many kinds of goods and services to the federal government. However, the nation's capital, home of the nation's monumental tourist sites and buildings, is the visible epicenter of federal collusion with vendors and contractors that pay low wages to their employees at federal sites. These workers perform tasks that would entitle them to decent wages if they were performing the same tasks directly for the federal government. Their employers benefit from the prestige, visibility and imprimatur afforded by their location in prominent federal sites.

However, the federal government distances itself from these low-wage workers by outsourcing the jobs to private contractors and concessionaires. Although these contractors enjoy the prestige and get revenue at prime federal locations, the federal government washes its hands of these workers, leaving them with exploitative wages. Moreover, by condoning these low wages, the federal government often shifts onto federal taxpayers the cost of health insurance, food stamps, and other federal benefits for these workers that employers who offer decent wages generally shoulder.

Congress took an affirmative step in 1939 for the first time to guarantee basic fairness to workers when it passed the Fair Labor Standards Act, the first minimum wage law. However,

there is broad recognition that the minimum wage is not a living wage. The current minimum wage is lower than the minimum wage in 1968 when adjusted for inflation. In your State of the Union Speech, you recognized this problem and asked Congress to raise the minimum wage.

By organizing to expose federal government complicity with their low wages, these workers have stepped to the vanguard of today's controversy about the unprecedented income gap in our country, characterized by falling middle-class and low-income wages and rising income among the affluent and corporations. This gap cannot be addressed if our country continues to tolerate wages that leave workers in poverty. The place to start is with the federal government itself.

We ask that you take immediate action. A working group of federal agencies could extricate the federal government from its complicity in denying these workers decent wages and benefits. There are ample precedents for using federal contracting power to promote the general welfare. For example, Executive Order 11246 prohibits job discrimination by federal contractors and requires monitoring and sanctions, including disbarment.

A working group would also offer new approaches. For example, contractors and concessionaires can increase their chances of receiving a contract by receiving points. Points are awarded for various qualifications such as past performance, quality of product, and return to the government. Giving significant points based on a living wage would offer benefits to the workers and the government alike and should therefore be among the considerations in awarding points for contracts.

You have recognized the effect of low and stagnant wages on the American people and on the economy. We ask you to ensure decent wages for workers employed through federal contracts.

Sincerely,



Eleanor Holmes Norton
Member of Congress



Keith Ellison
Member of Congress



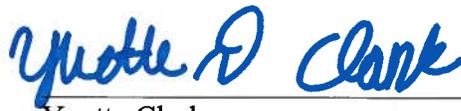
Matthew Cartwright
Member of Congress



Raúl M. Grijalva
Member of Congress

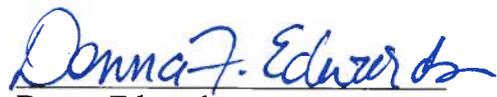


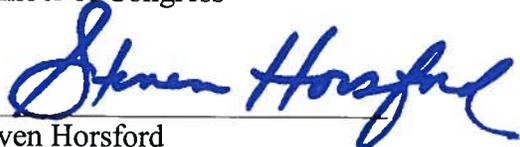
Michael Capuano
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