



OFFICE OF THE GOVERNOR

May 29, 2013

The Honorable Seth D. Harris
Acting Secretary of Labor
200 Constitution Avenue, NW
Washington, DC 20210

Dear Secretary Harris:

I write to support California's pension reform efforts and to urge you to certify the release of grants to our mass transit providers. The driving force behind California's pension reforms is the need to protect the fiscal stability of public employee pensions at the state and local levels. There is virtual consensus in this state that public pension systems are chronically underfunded, and last year's pension reform measures passed both houses of our Legislature with strong bipartisan support.

Opponents of pension reform have claimed that it impedes the collective bargaining rights of public-sector unions. As the Governor who signed the bill granting collective bargaining rights to state employees in 1977, I am committed to preserving collective bargaining. Our pension reform does not impair bargaining rights. To the contrary, it enhances retirement security for public employees by keeping pension plans from becoming unsustainable.

Pension reform will help prevent more municipal bankruptcies that are tied, at least in part, to pension obligations, as demonstrated by bankruptcy proceedings in Stockton and San Bernardino. Government bankruptcies often require public employee lay-offs. Bargaining rights are a moot point if you do not have a job in which to exercise them.

California's pension reforms stand in stark contrast to partisan efforts in other states expressly designed to limit the collective bargaining rights of union members. Given this contrast, I cannot help but be frustrated by your department's position that California's thoughtful pension regulation impermissibly failed to preserve bargaining rights within the meaning of the Urban Mass Transit Act of 1964. The suggestion that Congress intended to effectively preclude states from legislating on any topic that would affect a collective bargaining agreement is inconsistent with the legal authorities governing Section 13(c).

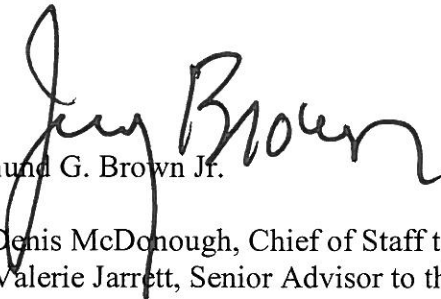
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I urge you to provide your certification enabling the release of the transit funds that have been delayed due to the dispute over whether pension reforms prevent good faith negotiation "over wages, hours and other terms and conditions of employment." Withholding more than \$2 billion in transportation grants, while California absorbs the impacts of the federal sequester, will do great harm and injustice to the people of California.

Sincerely,



Edmund G. Brown Jr.

cc: Denis McDonough, Chief of Staff to the President
Valerie Jarrett, Senior Advisor to the President

This is very important to the
people of California - both
for jobs and pension reform!