Public Policy Responses to Autonomous Vehicles: House Democrats Unveil "Future of Work" Agenda

Insights
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When a group of four Democrats in the U.S. House of Representatives released a report on September 5 titled *The Future of Work, Wages, and Labor*, they hoped to identify issues facing the American worker in an economy that is increasingly being poked, prodded, and transformed by new technologies, automation, and corporate consolidation of power. The scope of the report is far-reaching and ambitious, and signals potential policy goals and a host of new issues for employers should the Democrats take control of the House or the Senate—or both—in the future.

After more than two years of crisscrossing the country meeting with various experts, labor leaders, and employees, Debbie Dingell (D-MI), Mark DeSaulnier (D-CA), Mark Pocan (D-WI), and Donald Norcross (D-NJ) drafted the report to identify and address problems facing the American worker, including trends such as automation and what they perceived to be a deepening power imbalance between employers and employees. While the report only addresses the potential effects of the increasing automation of the automotive industry in passing, they do single out driverless vehicles as a prime example of how an industry can be turned on its head quickly and violently.

Rather than focus on technological advances, the report instead examines jobs across industries and seeks to identify factors and trends driving the changing nature of work. For example, the report examines several trends in the American workplace that they perceive to have benefitted employers and corporations, including changes to corporate governance and antitrust policies; a shift in corporate priorities from investing profits in workers to paying out shareholders and CEO's; the stagnation of wages compared to productivity; and the relative decline in union membership and participation.

The report proposes a number of "Key Proposals" in order to give the power back to the American worker. And this is the part of the blog where many employers may want to stop reading (but don't; it's important).

Many of the key policy proposals seek to transfer power to employees by changing policies and regulations pertaining to corporate governance and campaign finance. For example, the report suggests:

- Overturning the *Citizens United* decision and reforming campaign finance laws to allow ordinary citizens to obtain tax credits for campaign contributions;

- Strengthening antitrust enforcement to combat corporate consolidation, which the report argues reduces the number of jobs, weakens workers' bargaining power, and contributes to stagnant wages and unsafe working conditions; and
- Altering corporate policies and regulations to shift power back to the workers as opposed to shareholders and executives, including banning corporate stock buybacks, taxing capital gains at the same rate as income, constraining executive pay, and passing a bill to allow workers to directly elect one-third of the board of directors.

While these policy proposals would no doubt alter the American corporate landscape, many of these changes would be felt in the background of the employment relationship, but not in the day-to-day management of a business's employees. Of more concern to employers are the concrete benefits that the report proposes conferring on employees across the nation. For example, the report proposes:

- Raising the federal minimum wage to $15 an hour by 2024;
- Promoting and strengthening public and private labor unions;
- Raising the white collar overtime salary threshold to $47,476 as the Obama administration proposed and tie it to inflation;
- Requiring employers to allow employees to earn a minimum of seven paid sick days;
- Establishing a national 12-week paid family and medical leave standard, administered through a national paid leave fund; and
- Strengthening wage and hour laws and enforcement by creating stronger penalties for wage violations, lengthening the statute of limitations, and making it easier for employees to file a class action;
- Enacting the Schedules that Work Act, which would require employers to provide work schedules two weeks in advance, while granting cash incentives to employees scheduled on shorter notice;
- Banning *all* non-compete contracts in employment contracts except for senior executives possessing trade secrets; and (last but *certainly not least*)
- Banning mandatory arbitration clauses as a condition of employment.

The proposals above are highlights of the report and are by no means exhaustive. For employers in states such as California, many of these proposed changes (or something similar) have already been enacted by the state and local governments. For others, however, these standards are a drastic departure from the current state of affairs and would impose great burdens absent an adequate transition plan.

The thrust of the report is clear: give the employee the moon. The policy changes above are mere proposals, and likely won't be addressed by the current White House. However, businesses are now on notice that the status quo could go the way of the Tucker 48 in the blink of an eye.