

Obama Signs Bill Making Worker Pay-Bias Lawsuits Easier to Win

By Holly Rosenkrantz

Jan. 29 (Bloomberg) -- President [Barack Obama](#), signing the first legislation of his presidency, made it easier for U.S. workers to win pay-discrimination lawsuits.

Obama had pushed for the legislation during his presidential campaign and today it became the first measure to reach his desk since he took office Jan. 20. The legislation gives a victory to labor groups, which supported his presidential bid.

"Equal pay is by no means just a women's issue -- it's a family issue," Obama said at an East Room signing ceremony. "Signing this bill today is sending a clear message: That making our economy work means making sure it works for everyone."

Primarily aimed at helping women, the law will let employees pursue claims they are being underpaid because of discrimination that occurred years earlier. A U.S. Supreme Court ruling in 2007 had disallowed such lawsuits.

The bill cleared Congress earlier this month. Its enactment was sought by labor and women's rights groups and opposed by business organizations. Unions spent more than \$100 million in support of Obama and Democratic congressional candidates in the 2008 election season.

"We are heartened that this legislation was made a top priority of the new Congress and administration, because it demonstrates a return to the common-sense values of hard-working Americans," AFL-CIO President [John Sweeney](#) said in a written statement.

Congress first took up the measure in 2007 after the Supreme Court rejected a \$360,000 award to Lilly Ledbetter, an Alabama worker for Goodyear Tire & Rubber Co. She sued the company after discovering she had been paid less than her male counterparts for almost two decades.

Couldn't Sue

The court said Ledbetter couldn't sue under the 1964 Civil Rights Act because the alleged discrimination occurred more than 180 days before she filed her claim. The law signed today restarts the clock for bringing claims each time a worker's job is affected by a discriminatory act. In Ledbetter's case, that would be each time she receives a pay check.

Democrats made her case an election issue after their 2007 bill stalled in Congress.

Ledbetter spoke at the Democratic Convention in August, and appeared in campaign ads criticizing Obama's Republican opponent, Arizona Senator [John McCain](#). She attended Obama's inauguration last week and danced with him on stage at one of his inaugural balls.

Business lobbyists said it would increase employer costs and expose companies to more lawsuits.

"Some pension lawyers are horrified with this bill," said Lawrence Lorber, a Washington lawyer at Proskauer Rose who represents companies in labor-related cases. Under the new law, retirees will be able to argue in court that wages were depressed by unlawful discrimination, he said.

'A Victory'

"It's a victory for civil rights groups that want non- market forces to determine wages," said Don Livingston, a Washington-based attorney at Akin Gump and a former general counsel at the Equal Employment Opportunity Commission.

For Obama, signing the bill into law offered an opportunity to reward his labor supporters as the fate of other aspects of their legislative agenda is unresolved.

Labor's top legislative goal this year is the passage of the Employee Free Choice Act, which would make it easier for workers to form unions. Democrats are short of the 60 Senate votes they need to overcome attempts to stall the bill by Republicans and business groups.

Union groups are also awaiting the confirmation of U.S. Representative Hilda Solis, a California Democrat, as Labor Department secretary. Her Jan. 9 confirmation hearing was among the first held for Obama's Cabinet nominees and few questions were raised about her appointment. Since then, some Republicans have held up her confirmation because of her support for the Employee Free Choice Act.

"The Ledbetter bill is the lowest-hanging fruit of all the items on labor's agenda," Lorber said. "The victory is not necessarily a harbinger of what will happen on Employee Free Choice, which could be World War Four between labor and business."