

August 3, 2006

The Honorable Ron Wyden  
230 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Gordon Smith  
404 Russell Building  
Washington, D.C. 20510

Re: HR 5970

Dear Senators Wyden and Smith:

I invite you to join with me in defending Oregon's minimum wage from an attempt to use federal law to override state legislation, ignore the will of our state's voters and effectively reduce our minimum wage for tipped workers from \$7.50 to \$2.13 per hour.

H.R. 5970, which was approved by the House last week, is a complicated piece of legislation. It combines a reduction in estate taxes and other tax policy changes with increases in the federal minimum wage. But Section 402 of that legislation is a particularly lethal poison pill for more than 25,000 workers in Oregon who earn tips in addition to their hourly minimum wage of \$7.50.

That section would use federal law to prohibit Oregon from enforcing our minimum wage law, unless that law is amended to void Oregon's long-standing practice of setting minimum wage rates without counting tips as part of the minimum wage. The effect of such a change would be to reduce base pay rates for most tipped workers in Oregon from \$7.50 to \$2.13 per hour. (This amount – \$2.13 per hour – is the current federal minimum wage for workers who earn more than \$30 per month in tips and would remain at that level in H.R. 5970.)

Also, this legislation would set a dangerous precedent, in that it would, for the first time, use the Federal Fair Labor Standards Act to set a ceiling on minimum wage levels rather than a floor.

I hope you agree that this provision would be bad policy for Oregon and impose a particularly severe and unfair hardship on some of our hardest-working and lowest-paid Oregonians.

I urge you to vote No on H.R. 5970.

Sincerely,

A handwritten signature in black ink that reads "Theodore R. Kulongoski". The signature is written in a cursive style with a large initial 'T' and a prominent flourish at the end.

Governor Ted Kulongoski