



Testimony of Erika Wadlington
Director of Public Policy & Programs, DC Chamber of Commerce
Before the Committee on Transportation and the Environment on September 25, 2017
on
Bill 22-175, the Transportation Benefits Equity Amendment Act of 2017

Good morning Chairwoman Cheh, and other members of the Committee. I am Erika Wadlington, Director of Public Policy & Programs at the DC Chamber of Commerce. I am pleased to be here today to represent the member companies of the Chamber, the hundreds of thousands of workers they employ, and the millions of dollars in District tax revenue they provide yearly to the District coffers. The DC Chamber of Commerce believes in job growth and creation, and working collaboratively with all of our stakeholders (government, employees, and community) to make the District of Columbia a great place to live, and to start and grow a business.

We understand the intent behind The Transportation Benefits Equity Act of 2017, and believe while well intentioned, would cumulatively add to the regulatory burden local businesses face and will injure the very job creators the District seeks to recruit into its neighborhoods to provide greater opportunities to DC residents. As such, we cannot support Bill 22-175 as drafted.

First, we cannot support Bill 22-175 because it is redundant to other policies with the same goals and to the Council's enacted law that sought to reduce traffic congestion through the Sustainable DC Omnibus Act of 2014. The proposed bill is unnecessary, The Sustainable DC Omnibus Act of 2014, enacted on July 29, 2014 offered employees transit benefits starting in 2016. Bill 22-175 seeks to cover the same employees addressed in the Sustainable DC Omnibus Act of 2014. In addition, local employers are striving to do their part to reduce congestion and have on their own instituted policies to incentivize carpooling of workers and alternative and flexible schedules to achieve some of these goals. Additionally, there is no longer disparity between parking and mass transportation benefits. The transit benefits offered by the Sustainable DC Omnibus Act of 2014 were recently enhanced by federal appropriation legislation which provided that parking and mass-transit benefits receive parity starting in 2016.

Secondly, we cannot support Bill 22-175 because it proposes to mandate a policy that would micromanage operations typically decided between the employer and employee. Each business owner works carefully to create a work environment and benefit package both fitting the needs of its company and is competitive to its industry. B22-175 seems to circumvent the employer's current and planned compensation and benefit schedule. It will also add compliance costs and will subject employers to potential fines and penalties. The proposed bill takes away the employer's flexibility and choice by dictating how they allocate benefits. Having another mandate on employers that impedes on their ability to make their own operational decisions limits growth and the District's competitiveness.

Third, we cannot support B22-175 because it would have a disproportionate impact on diverse and small businesses who invest in the District. What about the CBE or not-for-profit companies who leases their commercial office space and parking is included? What about the anchor grocery store in many developments who offers free or discount parking not only to its employees but customers as well? Or the local retailer and multiple location salon that shares a parking lot? As the District vies to be the destination location for new businesses and the future tech headquarters of others, it must seek a balance of its regulatory and legislative environment if it plans to maintain the companies it has already acquired and those businesses who have yet to open their doors within our eight wards. Furthermore, the biggest impact of this legislation will be on the employers who have made the investment in our neighborhoods and fostered new development and economic activity. These businesses have garage space within their facilities or have lots on their property and have done their part to increase opportunities, community foot traffic, and should not be penalized for that investment.

Fourth, we cannot support Bill 22-175 because it is actually a wage increase outside of the statutorily mandated minimum wage increase. This is a bill designed to increase employee wages and will impose a new cost on local businesses. The District's base wage rates were decided in previous council periods and our members are concerned about the increased burden accommodating those policy changes and the impact additional mandates would have on their industry and hiring practices. If wage rates continue to rise, employers will be forced to limit hiring.

Furthermore, the bill proposes "equity" but to be clear, it will not achieve equity. It will primarily benefit those who live close to where they work. Our members are concerned that the bill creates an imbalanced work environment by only offering a benefit to certain employees. Not only does the bill before the Committee go beyond policies considered elsewhere. Certain employees, and even more important for your consideration, certain DC residents live too far from their place of work to walk or bike. Two-thirds of our workforce does not live within the District but, of the 240,000 DC residents who work in DC (and not from home), 82,000 workers drive to their workplace. Additionally, there is a segment of the DC resident population that would not be able to take advantage of this opportunity because they work outside the District or for non-private sector employers. For example, 58,000 DC residents work in MD and VA and drive to work. In contrast, only 5,700 reverse commuters take the bus. It is not fair to require DC employers to provide a cash bonus to employees simply because they have the luxury of living close enough to work to walk or take public transportation.

Lastly, this bill runs afoul of the Chairman's call for a moratorium on employer focused policies. When the Council adopted Universal Paid Leave last year, the Chairman called for a moratorium on the adoption of any additional bills legislating the employer and employee relationship. As the Chairman explained, the Council had adopted an unprecedented number of bills over two years and did not know the impact of these bills on employers. We would encourage this Committee not to move forward with the legislation and focus on measures that incentivizes business participation.

Over the past few years, the business community has seen more legislation that is employer-focused that has a cumulative effect of adversely impacting our local businesses and our competitiveness. Public Policy should not be one-sided; it should consider and examine the concerns and impacts on all affected stakeholders. We urge the Committee to consider the total impact these measures on local businesses and the District's economy. Like you, we want our business community to be vibrant and strong, but we are concerned about always changing labor and employment laws that cause an imbalances in and strain the employer-employee relationship. In

closing, the DC Chamber recommends that the Committee not proceed with the bills as drafted. We welcome any questions you may have and look forward to further discussing these concerns with the Committee.