



The Greater Ocean City, Maryland Chamber of Commerce, Inc.

SB742 Labor and Employment - Fair Recruitment and Transparency Act

**TESTIMONY IN OPPOSITION ON BEHALF OF
THE GREATER OCEAN CITY CHAMBER OF COMMERCE
BEFORE THE
Senate Finance Committee
February 27, 2020**

The Greater Ocean City Chamber of Commerce represents over 950 businesses and job creators in the region and oversees the seasonal workforce program. On behalf of those businesses, I am writing to express our strong OPPOSITION to SB 742 Labor and Employment - Fair Recruitment and Transparency Act.

This bill essentially provides that an agreement by a foreign worker to waive certain rights is void as contrary to public policy; requiring an individual to be licensed by the Commissioner of Labor and Industry before the individual may perform a foreign labor contracting service in the State for consideration; providing that a certain license authorizes the licensee to perform foreign labor contracting services for consideration. Senate Bill 742 seeks to address foreign labor abuses, an important public policy issue. We support these efforts. However, in defining employment broadly and including cultural exchange, in its current form it would be extremely detrimental to the J-1 Exchange Visitor Program, unnecessarily harming the state of Maryland and U.S. foreign policy. This is not a labor program; it is a cultural exchange program, bringing high potential young people from all over the world to the United States to experience American culture, improve their English, study, train, and, in some cases, work. The work component allows participants to offset some of their costs, and enables the participation of groups that would otherwise be unable to afford to travel to the U.S.

This bill would have a dramatic and devastating effect on Ocean City as well as any other part of the state that hosts these participants. Each year, our hospitality community relies on the J1-Visa Summer Work and Travel program to bring 4,000+ students to our area. We simply do not have enough local people to fill the number of jobs necessary to run the hundreds of seasonal businesses. A recent survey of Ocean City Chamber members revealed that 95% of employers would face a negative financial impact if this program were

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eliminated or reduced. This includes the inability to operate at full capacity, provide service to guests etc. SWT students help to supplement staffing when American seasonal workers are not available (e.g., when college students are in school).

If the J-1 Exchange Visitor Program were allowed to be harmed by SB742, our State would lose not only local economic benefits but also a valuable cultural exchange program with a proven record of success.

- It is important to stress that the Exchange Visitor Program is a Federal program, highly regulated under the U.S. Department of State. Designated sponsor organizations administer the program and are responsible for Exchange Visitor's health, safety and welfare while on the program. Several of the designated sponsors have office locations in Ocean City to provide in-person assistance to their EVs.
- Unlike participants on work visa programs, the Exchange Visitors are not tied to their host employer. Exchange Visitors (EVs) may leave their host employer at any time, as per the Federal regulations. It is not uncommon for EVs to change their primary host employer during their program, and their sponsor organization assists them with this process.
- More than 4,000 Exchange Visitors contribute to the seasonal workforce in Ocean City and the tourism industry would be devastated without them. Many businesses would be forced to reduce the amount of time they can remain open, and/or limit of the number of guests/visitors they are able to serve. Some businesses could even be forced to close their doors.
- Ocean City has long recognized the importance of the Exchange Visitor Program and has been a leader with our community support efforts, having started the first official community support group nearly 15 years ago. Other communities across the entire USA have utilized our community support group as a model for their own community efforts (there are now over 30 such Community Support Groups around the country!). Our group is a committee under the OC Chamber of Commerce and is comprised of prominent local business members, the HMRA, church and civic leaders, emergency management personnel, sponsor representative, local hospital, and community volunteers. The committee adds an additional layer of support for the EVs during their program and has a direct link to all of the sponsor organizations and the Department of State. Additionally, the committee works closely with Town and local government officials to assure that the EV's health, safety and welfare remain our top priority while they are living in our community.

Again, this bill would create dire consequences for the largest and most effective U.S. public diplomacy program and for businesses throughout our State.

If these provisions go into effect, the J-1 Exchange Visitor Program will cease to exist in Maryland and MD businesses as well as our State and local economy would suffer.

It is important to note that the majority of wages earned by SWT program participants go back into the local economy for rent, food, entertainment, and retail purchases. It is estimated that the economic impact of the SWT Program in the State of Maryland is **\$31.8 million**.

For the aforementioned reasons, the Ocean City Chamber of Commerce respectfully requests an unfavorable report for SB742.

Please feel free to contact me with any questions regarding the position of the Greater Ocean City Chamber of Commerce at 410-213-0144 ext 102.

Sincerely,

A handwritten signature in black ink, appearing to read 'Melanie Pursel', written in a cursive style.

Melanie Pursel- President & CEO

Greater Ocean City Chamber of Commerce