



TO: Delegate Dereck E. Davis, Chair
Delegate Kathleen M. Dumais, Vice Chair
Economic Matters Committee Members

FROM: Phillips Seafood - including Phillips Foods, A.E. Phillips & Son, Island Seafood and Phillips Seafood Restaurants

DATE: February 3, 2021

RE: HB 581 Health and Welfare of H-2 Visa and Migrant Workers – COVID-19 Pandemic – Regulations (Healthy Farmworkers Act)

Phillips Seafood opposes HB 581 Labor and Employment – Employment Standards During an Emergency (Maryland Essential Workers' Protection Act)

Phillips Seafood is a family owned group of businesses with roots on Maryland's Chesapeake Bay since 1914. Phillips produces crab meat, a line of crab and seafood cakes, appetizers, soups and entrées available in our restaurants, grocery stores and the foodservice market.

Phillips Seafood prides ourselves on treating our staff well in all aspects of their employment – fair pay, safe and respectful working conditions and which is how we have so many long-term and loyal staff members.

In our three businesses to which this legislation would apply, we employ approximately 105 people – 70 Full-time and 35 seasonal. The average tenure of our full-time employees is sixteen years. HB 581, if passed, will undoubtedly result in the elimination of jobs for many of our hard-working, loyal staff members.

Our business simply cannot afford the additional costs associated with

\$3 an hour Hazard Pay = approximately \$426,000 in added payroll cost per year.

Over 3 weeks of additional Paid time off (14 days health and 3 bereavement) on top of the average of 3 weeks Paid time off that we already provide to our full-time staff

During an emergency the business responsible for paying these additional wages (Hazard Pay and PTO) will be suffering financial hardship and will likely be in a position that any added costs will put their viability in jeopardy. If the business fails all workers are left with zero income.

Financial support for workers who become sick or injured related to the emergency. I don't know how to begin to quantify this financial exposure to an employer. This legislation turns on its head, the traditional employer/employee relationship – fair pay and a safe work environment for performing a task. Instead, this legislation turns the employer / employee relationship into one where the employer is financially responsible for each employee's health and well-being for non-work related behavior. This is unsustainable.

There is no clear definition of an "Emergency" as well as who is able to declare an "Emergency" – This legislation indicates that either the Maryland Emergency Management Agency or any "Local organization for emergency management" is permitted to declare an emergency. The definition of a "Local organization for emergency management" is below:

"Local organization for emergency management" means an organization established by a political subdivision or other local authority under § 14-109 of this subtitle.

Excerpt from § 14-101.1 OF THE PUBLIC SAFETY ARTICLE

Based on this definition it appears that a typical snowstorm where a county implements their snow emergency plan could trigger the provisions of this legislation.

The bill calls for periodic evaluation to determine if an emergency is imminent, occurring or has occurred. With all due respect, if a study must be done to determine the presence of an emergency, it is not emergency.

We respectfully request that the committee not pass this legislation as it will undoubtedly create unsustainable hardship on the Maryland's business community, which will result in significant reduction in or loss of jobs.

Respectfully,



Stephen B. Phillips
CEO

