

**Support SB 107 Secure Wage Act FIN 20210128.docx.p**

Uploaded by: Baron, Peter

Position: FAV



January 28, 2021

**Senate Bill 107**  
**Labor and Employment – Secure Maryland Wage Act**  
**Senate Finance Committee**

**Position: FAVORABLE**

Senate Bill 107 will take an important step to improve the safety and security of critical transportation hubs by ensuring the attraction and retention of experienced and trained workers. This Bill requires an employer to pay specified wages and benefits to a covered employee. A covered employee is a nonexempt employee under the Federal Fair Labor Standards Act (FLSA) who performs work at Baltimore/Washington International (BWI) Thurgood Marshall Airport, Baltimore Pennsylvania Station in Baltimore (Penn Station), or the Port of Baltimore.

Recent reports show that wealth is growing at the top of our income scale while people doing many of the toughest jobs in our county cannot afford rent, childcare, or health insurance. The pandemic has exacerbated the fault lines of an economy that was built on a foundation of inequity. It has challenged our physical, mental, and economic health. It has challenged families, communities, businesses, schools, and every department of local government. But it is lower-wage workers who have suffered the worst economic pain of the pandemic.

BWI Thurgood Marshall Airport is an economic engine for Anne Arundel County and all of Maryland. Many county residents have careers at the airport, and currently, the low wages at these facilities lead to employee turnover. This means the staff does not have time to be trained and retrained, to gain experience in how to respond to emergency situations, or to build the sense of normalcy at their worksites that is required to allow them to detect potential security incidents.

Higher wages at “heightened security locations” are not new and have been applied at Los Angeles International Airport, Oakland International Airport, the Port of Oakland, Newark Liberty International Airport, John F. Kennedy International Airport, and LaGuardia Airport, for example. In our region, Washington Dulles International Airport and Ronald Reagan Washington National Airport have adopted a wage policy in order to improve safety and security.

This Bill represents an opportunity to improve security, while also securing higher pay for valued local workers. A practical liveable income is important to the citizens of Anne Arundel County and helps to attract and retain good employees.

The Secure Maryland Wage Act will help make many lives stable and help support making Anne Arundel County *The Best Place - For All*. **For those reasons, we urge a FAVORABLE report on Senate Bill 107.**

# **Doran Brown Testimony 1.25.pdf**

Uploaded by: Brown, Doran

Position: FAV

My name is Doran Brown and I work for the ISS as a floor tech at BWI Airport. I am here to talk about how a higher wage would help my way of living. I have an ailing mother who has a sickly husband and a better wage would help me by making sure I have enough money to help support them. I also have 4 grandchildren who I want to be able to support. Right now I have to make tough decisions between having to pay my bills and making sure I can support the people I love which isn't easy.

I work with customers everyday. Even though as a floor tech and cleaner my job description is not necessarily to help passengers, it's just a part of being an airport worker. Customers always ask for help and it's my job to help them even though this puts me at risk of exposure to COVID. This means me coming into contact with so many people in the airport is me taking a chance in bringing anything including COVID home. And with my mother being sickly it's a big risk. No one wants to lose a loved one.

But regardless of that I come to work everyday and do what I need to do. My work at the airport requires that I have a badge because I work behind security. In order to get my badge I had to: Go through an FBI background check; pass a test on how to respond to the active shooter situation, pass a test on what type of entry points are acceptable for us and pass a test on how to respond to any suspicious activity.

Being able to make higher wages would help me feel even safer at work. It would help me support my family. It would make it so that the risk I take everyday of exposing myself to COVID is being compensated. Improving our wages would also show the value of our hard work keeping the airport safe and secure.

# **SEIU Testimony in Favor of SB 107 Secure Maryland**

Uploaded by: Cavanagh, Terry

Position: FAV



## **SEIU MARYLAND & DC STATE COUNCIL**

1410 Bush Street, Suite F  
Baltimore, Maryland 21230

Testimony in FAVOR of SB 107  
Labor and Employment – Secure Maryland Wage Act  
Senate Finance Committee  
January 28, 2021  
1:00 PM

SEIU Maryland & DC State Council urges a **Favorable Report to SB107.**

With over two million members, SEIU is the largest union in North America. We are focused on uniting workers in health care, public services, including in public education, and property services to improve lives and the services we provide. In the Maryland, Washington, DC, and Virginia area, we represent over 50,000 workers.

We are thousands of essential workers in nursing homes, hospitals, schools and public buildings. We are the broad working class.

This legislation recognizing the need for investing in the security of certain locations within our state and the important work that is done by workers. Through a small investment we can take steps to ensure these facilities are more secure.

Many airports and other important installations have taken similar steps, either through legislation or administratively to address this issue. We believe it's time for Maryland to join those other states and to do the same.

**We ask a Favorable Report on SB 107.** Thank you.

**BaltimoreCounty\_FAV\_SB0107.pdf**

Uploaded by: Conner, Charles

Position: FAV



JOHN A. OLSZEWSKI, JR.  
*County Executive*

CHARLES R. CONNER III, ESQ.  
*Director of Government Affairs*

JOEL N. BELLER  
*Deputy Director of Government Affairs*

**BILL NO.:**            **SB 107**

**TITLE:**             Labor and Employment - Secure Maryland Wage Act

**SPONSOR:**        Senator Hayes

**COMMITTEE:**     Finance

**POSITION:**       **SUPPORT**

**DATE:**             January 28, 2021

Baltimore County **SUPPORTS** Senate Bill 107 – Labor and Employment - Secure Maryland Wage Act. This legislation secures higher wage standards for employees working at a heightened security interest location.

In jobs at heightened security interest locations, high turnover rates and inexperienced employees may be potential sources of danger. Therefore, it is essential to provide workers with appropriate wages and benefits for ensuring national security. It is in the interest of the State to take steps to attract and retain experienced and trained workers. This strategy has already been adopted by Dulles International Airport and Ronald Reagan Washington National Airport for this very reason.

SB 107 stands to benefit more than twenty-five hundred residents from Baltimore County who currently work at BWI, while also attracting more experienced workers to the area. This legislation invests in the hardworking individuals who keep our key transportation infrastructure points running safely and maintain these critical hubs for State and local economies.

Accordingly, Baltimore County requests a **FAVORABLE** report on SB 107. For more information, please contact Chuck Conner, Director of Government Affairs, at [cconner@baltimorecountymd.gov](mailto:cconner@baltimorecountymd.gov).



# **Jaime Contreras SEIU 32BJ testimony SB 107 Senate**

Uploaded by: Contreras, Jaime

Position: FAV



## Senate Finance Committee

### SB0107 – Labor and Employment - Secure Maryland Wage Act

#### Testimony of Jamie Contreras, Vice President and Director, Capital Area District, 32BJ SEIU

January 27, 2021

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INTERNATIONAL UNION  
CTW, CLC

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JOHN SANTOS

CANDIS TOLLIVER

#### Capital Area District

Washington 202.387.3211

Baltimore 410.244.6299

Virginia 202.387.3211

#### Connecticut District

Hartford 860.560.8674

Stamford 203.674.9965

#### District 1201

215.923.5488

#### Florida District

305.672.7071

#### Hudson Valley District

914.328.3492

#### Mid-Atlantic District

215.226.3600

#### National Conference of

Firemen and Oilers

606.324.3445

#### New England District 615

617.523.6150

#### New Jersey District

973.824.3225

#### Western Pennsylvania District

412.471.0690

[www.seiu32bj.org](http://www.seiu32bj.org)

Good afternoon Committee Chair Kelley, Vice-Chair Feldman and Committee Members. My name is Jamie Contreras, Vice President of SEIU 32BJ. Thank you for the opportunity to testify here today on behalf of the union's 20,000 members in Maryland and the D.C. Metro area.

This bill will help to make the state safer by ensuring that experienced employees are employed at heightened security interest locations, all while making a transformational difference in the lives of hard working men and women.

At the same time, it will protect the traveling public and essential workers by providing for health benefits for essential frontline workers. The majority of service workers at these facilities are Black and Brown and have worked through the COVID pandemic despite being at higher risk for the disease and often not having access to affordable healthcare.

Getting a job at an airport is not a simple task; there are numerous security regulations and employees are consistently monitored by government agencies.

Work at the Port of Baltimore is similarly intense. Given it is a major shipping terminal, the threat of illegal activity must be constantly defended against. This means extensive training for workers who are the eyes and ears of the Port.

Research has shown that higher wages correlate to reduced employee turnover. In security and safety roles this is shown to have a measurable impact on security outcomes. Jurisdictions across the country have recognized this correlation. Similar policies to that proposed here are in place at LAX, Oakland Airport, the Port of Oakland, and the three New York City airports, as well as Dulles and Reagan National.

SB0107 would set minimum wage and benefit rates based on the prevailing area standards for security guards. This will not mean luxury for workers. These rates are by definition the industry standard. For many workers however, it may mean access to meaningful health insurance outside of public programs for the first time.

Restoring public confidence is crucial to getting transportation hubs – key drivers of our state's economy- back to full capacity. Easing access to health insurance will go a long way to meeting that goal.

On behalf of the thousands of workers and local communities who stand to gain, I urge you to support this bill, and help make Maryland healthier and safer while improving the lives of thousands of workers.

**Cooper\_testimony\_SB107\_1\_28\_21.pdf**

Uploaded by: Cooper, David

Position: FAV

# **Strong wage standards are especially important for heightened-security job sites**

Testimony in support of SB107, the Secure Maryland Wage Act of 2021

**Testimony** • January 28, 2021

Madame Chairwoman, members of the committee, thank you for considering this testimony. My name is David Cooper. I am a senior analyst at the Economic Policy Institute (EPI). EPI is a nonpartisan, nonprofit research organization created in 1986 to include the needs of low- and middle-income workers in economic policy discussions. EPI researches, develops, and advocates for public policies that help ensure the economy provides opportunity and fair rewards for all working Americans.

Establishing higher minimum wage and benefit standards for heightened security locations in Maryland is a smart and important policy for maintaining the safe and effective operation of the state's primary transportation and shipping hubs. It will be particularly helpful as the region recovers from the COVID-19 pandemic. By establishing a higher wage floor for covered workers at Baltimore–Washington Thurgood Marshall Airport (BWI), Pennsylvania Station (Penn Station), and the Port of Baltimore, SB107—the Secure Maryland Wage Act—would set standards that would help contracted service providers attract and retain a skilled workforce, cut down on costly and potentially dangerous turnover, and help ensure the smooth operation of critical pieces of regional and national infrastructure. Strong wage standards, such as those proposed in SB107, will be increasingly important as the labor market recovers from the economic impacts of the pandemic.

A large body of research has shown that raising wages generally, and setting high minimum wage standards specifically, leads to meaningful reductions in employee turnover or “churn” among affected workers. Extensive additional research documents the links between higher wages and improved productivity.

One reason higher minimum wages reduce turnover is that, after a raise, workers stay at their current job longer, as they are less likely to search for and find higher-paying jobs. A second reason is that, after a minimum wage increase, it becomes more cost-effective for employers to invest in their current employees rather than lay them off and hire new, untrained workers.

The most comprehensive analysis of the turnover-reducing effects of higher minimum wages—by professors Arindrajit Dube, T. William Lester, and Michael Reich, published in the *Journal of Labor Economics* in 2016—finds strong evidence for both of these channels (Dube, Lester, and Reich 2016). Using nearly 200 minimum wage changes resulting from state and federal minimum wage increases, the study finds that raising the minimum wage significantly reduces worker turnover. Employees with the sharpest reductions in turnover are those who would otherwise stay employed at their workplace for only a short amount of time. The study also finds that because wage increases reduce worker turnover, workers become more experienced at their jobs.

These findings have been confirmed by other studies on the minimum wage in the U.S. and elsewhere. For example, San Francisco's adoption of a citywide minimum wage in 2004 led to “substantial increases in job tenure and in the proportion of full-time workers among fast-food restaurants” (Dube, Naidu, and Reich 2007). In their 2015 study of federal minimum wage increases in Georgia and Alabama, Barry T. Hirsch, Bruce E. Kaufman, and Tetyana Zelenska found that one “channel of adjustment” to higher wages is reduced

worker turnover (Hirsch, Kaufman, and Zelenska 2015).

These findings regarding reduced turnover and minimum wage increases have also been confirmed by studies of the effect of living wage policies that govern the pay of local government contractors, and by studies of the effects of wage standards at airports. The Los Angeles Living Wage Ordinance, which covers contractors and other companies receiving subsidies or permits through the city, reduced low-wage worker turnover and absenteeism (Fairris 2005). A comprehensive study of the San Francisco International Airport living wage found “dramatically reduced turnover,” with the strongest reductions experienced by the firms that raised wages the most to comply with the policy (Reich, Hall, and Jacobs 2005).

Transit and shipping hubs have a particular interest in reducing turnover, as staff face heightened responsibility to ensure safety, security, and efficiency in their work. This responsibility is even more acute now, as many staff are expected to enforce mask requirements and other social distancing measures.

Studies of airport security have noted that high turnover rates are a significant contributor to poor performance by airport security screeners. Two such studies come from the U.S. Government Accountability Office (GAO), formerly the General Accounting Office. In the earlier study, GAO concluded that high turnover among airport screeners has been a long-standing and growing problem that negatively affects performance, and that “a key factor in the rapid turnover is the low wages screeners receive” (GAO 2000). In a later audit of safety on airport runways and ramps, GAO surveyed aviation experts who noted that “high job turnover among ramp employees is also part of the problem” in reducing ramp accidents, and that “poor pay attracts a group of ramp workers that exhibit high turnover rates” (GAO 2007).

Lowering turnover, and thereby increasing worker tenure, leads to higher productivity as workers have time to develop their skills and become more proficient in their jobs. At the same time, studies have also shown that higher wages can lead to additional improvements in productivity, independent of increased tenure. A large body of scholarly research shows that higher wages reduce absenteeism, attract better-performing workers, and motivate employees to work harder and provide better quality service (Wolfers and Zilinsky 2015). Higher wages can also increase the efficiency of managers or owners of firms by acting as a shock that compels managers to identify cost savings or remedy longer-term problems (Hirsch, Kaufman, and Zelenska 2015).

Finally, higher wages also reduce the exposure of workers to financial problems due to poverty and income insecurity that would otherwise depress productivity (Mani et al. 2013). These findings are particularly relevant to the current moment. At a time when most workers are facing increased stress and challenges because of the COVID-19 pandemic—from both its health and financial impacts—measures that provide greater financial security to staff will have an outsized impact on their productivity. Moreover, the hourly wage supplement provided by the bill will grant health benefits to covered workers, helping alleviate one of the most common sources of stress among Americans, access to health care—a stressor that has been magnified by the pandemic (American Psychological

Association 2018).

As the pandemic is brought under control and the labor market begins to improve, there will be competition among employers to recruit and retain staff, particularly in the low-wage labor market. At the same time, employers are often reluctant to offer wage raises sufficient to prevent problems with vacancies or recruitment of high-quality workers (Manning 2003; Naidu, Posner, and Weyl 2018). A stronger minimum wage floor helps to solve this problem. By raising wages at the bottom, the minimum wage policy for covered workers at BWI, Penn Station, and the Port of Baltimore will help employers at these locations to reduce turnover for these positions and will also make it easier for employers to recruit for these jobs when necessary.

Relatedly, regularly adjusting the wage floor and providing health benefits—as SB107 would do—would also help reduce churn. Low-wage workers experience significantly higher rates of job churn than higher-wage workers (Cooper, Mishel, and Zipperer 2018). This is not surprising since even small nominal hourly wage increases (from switching jobs) can equal meaningful increases in pay for workers with low total earnings. Yet with predictable pay increases scheduled into the future, and health benefits provided by covered employers, there is less incentive to seek a different job—certainly within each heightened security location, but potentially elsewhere as well, as future pay increases and provision of health benefits at other locations would be less certain.

For jobs performed at transit and shipping hubs, ensuring smooth and efficient operations is particularly important to the broader state, regional, and even national economy. Disruptions of any kind in the movement of people or goods can have long downstream effects, leading to losses and inefficiencies that multiply as they reverberate through supply chains. Thus, measures to improve stability, reduce disruptions, and increase productivity at these locations are smart investments in the long-term health of the economy.

The Secure Maryland Wage Act will improve the operation of three of the state’s most critical pieces of infrastructure. The wage increase and health benefits guarantee will help to attract and retain a skilled workforce, reducing the costs and dangers associated with high rates of turnover. Because BWI, Penn Station, and the Port of Baltimore are hubs for commerce throughout the region, raising pay and improving health benefits for workers at these locations should be viewed as an investment in the broader health and security of Maryland’s economy—one that will support a stronger post-pandemic recovery.

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# **Shale Green Testimony.pdf**

Uploaded by: Daley, Bridget

Position: FAV

Good afternoon, my name is Shale Green, I'm from Baltimore City and a member of 32BJ SEIU.

I've been working as a security officer at the Port of Baltimore for three years

To be perfectly clear, we are on the frontlines and we are the first line of defense.

With so many trailers and ships, you never know what or when the next threat or target will be.

When you get paid lower wages, it can be hard to do the job you want to do.

If you have children, the stress over worrying about bills and childcare on these wages can be distracting.

In my experience, the lower wages mean that more people will call out because they have another job interview.

When that happens, guards like me who are on duty at the time have to stay over.

That can leave us sleep deprived which makes it much harder to focus and harder to catch everything the way I want to, that may come in or look out of place.

However, if you pay well enough, people will be willing to stay – we have to make sure everyone has the resources to come to work.

I have health insurance that I pay for out of pocket because the insurance I'm offered health insurance through my job is too expensive and has low coverage. So it was better for me to get other health insurance. Those who cannot afford to do this get healthcare through the state exchange, which the state pays for anyways. They rob Peter to pay Paul. That doesn't make sense.

Recently I even got sick and I needed to leave early. I ended getting a write up for leaving early even though I was sick. This makes me nervous to take time off in the future if I'm sick. Usually I try to push through and go to work even if I'm sick. There's a sign on my security booth that says "if you're sick, stay home" but I feel like I can't always do that if I might get in trouble.

When you protect your home, you don't get the cheapest alarm system out there –you want the best.

You need to hire and pay those who are protecting our ports a wage that matches the seriousness of our job.

Most of the guards at the Port of Baltimore are African American and need to support their families, especially during the crisis that we are experiencing. The Port is still a very big business for the State, yet we are not compensated in a manner that reflects the importance of our work.

Please do the right thing and pass the Secure Maryland Wage Act. Thank you.

**SMWA Testimony\_Final.docx.pdf**

Uploaded by: Dooley, Peter

Position: FAV

Maryland Senate Hearing  
SB0107 – Maryland Secure Wage Act Testimony  
Jan. 28, 2021



My name is Peter Dooley MS, CIH, CSP, and I am the Safety and Health Senior Project Coordinator for the National Council for Occupational Safety and Health. I am also currently a member of the Occupational Health and Safety Section of the American Public Health Association [APHA].

I am submitting testimony in support of SB0107, the Secure Maryland Wage Act. The Maryland Secure Wage Act is critical for public health, especially in a pandemic. It would help over a thousand frontline workers who could be deterred from seeking treatment for COVID-19 because they lack affordable health insurance.

Contracted airport workers are overwhelmingly immigrants and people of color, who are two to three times more likely than our white counterparts to contract COVID-19 and nearly three times as likely to die from the virus. Record-breaking COVID-19 rates exacerbated by holiday travel, combined with a workforce that lacks affordable health insurance, despite being among the most vulnerable to contracting COVID-19, is a recipe for disaster that this bill seeks to remedy.

Additionally, while COVID-19 is today's most pressing challenge, more mundane illnesses like influenza also represent significant threats to workers' well-being and stability of airport staffing. The CDC estimates that between 12 and 51 thousand people have died of causes associated with influenza annually since 2010.

A 2015 study by the Government Accountability Office stated that "more than any other mode of transportation, air travel creates the potential for an infection to move quickly from one part of the world to another."<sup>1</sup> The study raised concerns that employees of contracted aviation services firms face particular risks of exposure to communicable disease. Airport workers such as cabin cleaners and wheel chair attendants are frequently exposed to bodily fluids, making them particularly vulnerable. Research suggests that uninsured individuals are less likely than others to receive the yearly influenza vaccine, putting workers at even higher risk for illness and transmission to others. A 2015 study showed that influenza vaccination coverage overall among adults with health insurance was 44 percent, compared to 14 percent among those without health insurance.<sup>2</sup>

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<sup>1</sup> The GAO interviewed aviation service workers employed in airport and aircraft cleaning and passengers services (including wheelchair attendants) and reviewed OSHA filings related to: inadequate communicable disease training, challenges accessing appropriate personal protective equipment, cleaning equipment, and cleaning supplies. GAO 2015. Air Travel and Communicable Diseases: Comprehensive Federal Plan Needed for U.S. Aviation System's Preparedness. Available at: <https://www.gao.gov/assets/680/674224.pdf>, accessed 23 October 2019.

<sup>2</sup> <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5826635/>

These exceptional risks compound the everyday hazards facing baggage handlers, cleaners, wheelchair attendants, and many others.<sup>3</sup> Research shows that uninsured people are less likely than others to receive preventative care<sup>4</sup> or vaccines, like the flu shot.<sup>5</sup> An airport worker without insurance is less likely to visit a doctor, if she believes she is ill. She is less likely to receive care before her symptoms become severe or debilitating.<sup>6</sup> Research also shows that workers with health insurance are less likely to miss work and miss fewer days of work than those without insurance, even after taking into account underlying differences in health between the two groups.<sup>7</sup>

Health care is critical not just to safety of workers and travelers, but also to instilling the confidence necessary to get the public back to the airport and to keeping them up and running again. These men and women are essential to helping us all receive vital goods that help sustain us during extended homestays and quarantines. They will also play a vital role in helping to transport and deliver COVID-19 vaccines to help us and our economy recover from the pandemic.

For these reasons, health insurance for airport workers must be prioritized as a crucial measure for the region's safety and prosperity, and I urge you to support this bill.

Sincerely,

Peter F Dooley

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<sup>3</sup> A 2015 study from the New York Committee for Occupational Safety and Health found identified hazards related to chemicals, blood borne pathogens, diesel emissions and carbon monoxide, and musculoskeletal disorders, which "left untreated, can be debilitating." See NYCOSH 2015. "Airport Safety Starts with Safer Working Conditions." Available at <http://nycosh.org/wp-content/uploads/2015/03/Airport-Safety-Starts-with-Safer-Working-Conditions.pdf>. Accessed October 22, 2019.

<sup>4</sup> Tolbert et al., December 13, 2019. Key Facts about the Uninsured Population. Kaiser Family Foundation, available at: <https://www.kff.org/uninsured/issue-brief/key-facts-about-the-uninsured-population/>

<sup>5</sup> Lu et al (2015). Impact of Health insurance status on vaccination coverage among adult populations. Am J. Prev Med. 2015 Jun; 48(6): 647-661. Available at: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5826635/>

<sup>6</sup> Tolbert et al. December 13, 2019. Key Facts about the Uninsured Population. Kaiser Family Foundation, available at: <https://www.kff.org/uninsured/issue-brief/key-facts-about-the-uninsured-population/>

<sup>7</sup> Lucia et al (2017). Which California Industries would be most Affected by ACA Repeal and Cuts to Medi-Cal? Data Brief: UC Berkley Center for Labor Research and Education. <http://laborcenter.berkeley.edu/pdf/2017/Which-CA-Industries-Most-Affected-by-ACA-Repeal-and-Cuts-to-Medi-Cal.pdf>

# **SB 107 - Secure Maryland Wage Act.pdf**

Uploaded by: Edwards, Donna

Position: FAV





# MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

7 School Street • Annapolis, Maryland 21401-2096

Office. (410) 269-1940 • Fax (410) 280-2956

*President*

Donna S. Edwards

*Secretary-Treasurer*

Gerald W. Jackson

**SB 107 – Labor and Employment – Secure Maryland Wage Act  
Senate Finance Committee  
January 28, 2021**

**SUPPORT**

**Donna S. Edwards  
President  
Maryland State and DC AFL-CIO**

Madam Chair and members of the Committee, thank you for the opportunity to provide testimony in support of SB 107 – Labor and Employment – Secure Maryland Wage Act. My name is Donna S. Edwards, and I am the President of the Maryland State and DC AFL-CIO. On behalf of the 340,000 union members in the state of Maryland, I offer the following comments.

A dedicated and well-trained workforce at BWI, the Port of Baltimore, and Penn Station is paramount to ensuring Maryland's security. These ports of entry for people and products present an opportunity for those who would wish us harm, and if not for the front-line attentive workers at these locations, nefarious plans would be successful. For us to attract and retain a talented workforce in our most secured locations, we must provide them with pay and benefits to get them and keep them.

SB 107 is not a new idea. Municipalities and States have passed similar legislation to increase pay and benefits for workers at heightened security locations. From LAX to JFK, from Dulles to Reagan, legislators have seen the need to give workers a boost in salaries to recruit and retain dedicated workers at locations that require increased vigilance and awareness. This bill pegs the wages and benefits to the Guard I classification for the applicable County under the McNamara-O'Hara Service Contract Act.

Fundamentally, workers that must pass a background check and receive special training deserve to be paid more. We value their expertise on the job, but we must also value the force-multiplying effect that increased wages and benefits have on keeping these dedicated workers above the poverty line and able to focus on potential security threats at Maryland's largest ports of entry. SB 107 is good for workers and good for the security of our State.

**We ask for a favorable vote on SB 107.**

# **SB 107 Testimony.pdf**

Uploaded by: Hayes, Antonio

Position: FAV

ANTONIO HAYES  
Legislative District 40  
Baltimore City

Finance Committee



Annapolis Office  
James Senate Office Building  
11 Bladen Street, Room 222  
Annapolis, Maryland 21401  
410-841-3656 · 301-858-3656  
800-492-7122 Ext. 3656  
Antonio.Hayes@senate.state.md.us

THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

January 26, 2021

**Testimony of Senator Antonio Hayes in Support of SB 107:  
Secure Maryland Wage Act**

Chairman Kelley and Members of the Finance Committee,

Transportation infrastructure continues to be a major focus for the state. **Senate Bill 107** is an additional step in this effort by investing in a trained and experienced workforce for some of our transportation hubs. This bill aims to ensure that a strong workforce is attracted and retained at three “heightened security interest locations”: Baltimore/Washington International Thurgood Marshall Airport (BWI), the Port of Baltimore, and Baltimore Penn Station.

The majority of workers at these sites, predominately minorities, have worked through the COVID-19 pandemic despite being at higher risk for the disease and often not having access to affordable healthcare. Every day they risk their health and safety at work and deserve to be paid fairly.

Because of the low wages paid to employees at these sites, employees may also be uncertain about their future and stressed about their finances; some even take second jobs to make ends meet and care for their families. By increasing the wages of low-paid direct employees and contracted employees, this bill advances economic justice and provides economic development benefits. This is an opportunity to secure higher pay for workers who are crucial to the functioning of some of the most important components of our state’s infrastructure.

Higher wages policies at heightened security locations already exist in hubs like Los Angeles International Airport (LAX), Oakland Airport, the Port of Oakland, Newark Liberty International Airport (EWR), John F. Kennedy International Airport (JFK), and LaGuardia Airport (LGA). Notably, Dulles International Airport and Reagan National Airport in our backyard adopted wage policies because they concluded it would improve safety and security.

It has been well documented that increases in compensation reduce worker turnover and enable employers to retain employees. A review of the literature exploring the impact of wages and turnover on safety and security at airports has demonstrated the connections between increased

wages, worker motivation, higher productivity and improved quality of services. When wages are higher, workers are less likely to quit, are willing to work harder, and are more committed to their work. Subsequent reduced turnover and less absenteeism often more than make up for the wage increase.

Maryland's minimum wage increased to \$11.00 per hour as of Jan. 1, 2020, and will rise to \$15.00 in 2025. While the minimum wage increase is a significant victory for workers, we need a higher standard for key transportation infrastructure facilities to attract and maintain quality staffing to protect our public investment and maintain these sites as drivers of the state's and local economies.

The bill ensures employers at these key transportation facilities pay no less than the combined Service Contract Act (SCA) wage and benefit rates for Guard I in the applicable county, which is currently \$14.32 per hours plus a \$4.54 per hour supplement for benefits. Increasing the wages of Marylanders who risk their health and safety to do essential work is a wise investment into the economy and security of Maryland, and the right thing to do.

**I urge a favorable report on SB 107.**

Respectfully,

A handwritten signature in black ink, appearing to read "Antonio L. Hayes", written in a cursive style.

Senator Antonio L. Hayes  
40<sup>th</sup> Legislative District - MD

# **Rudaina Jabai Testimony.pdf**

Uploaded by: Jabai, Rudaina

Position: FAV

My name is Rudaina Jabai, I work as a wheelchair attendant at BWI. My husband and I have been working there for the past 5 years. This job is very physically demanding. We can't do another job besides this one for extra income. We are paid below the minimum wage, because we might get tips from passengers. The majority of them don't give anything. We can hardly pay our bills. We do not have enough to put aside in our savings, in case our car has a problem, or to even enjoy a nice dinner outside or go to the movies. We don't even have enough to visit our relatives out of state.

Even before the pandemic, we were not able to spend our holidays with our family. We also helped our 2 sons with some of their college tuition. Besides that, the company offers us a health insurance that is very expensive. I couldn't afford to add my son to plan with the company's insurance. Now, I have to rely on Medicaid for health insurance. Having health insurance is important to me because I am diabetic and have high cholesterol. We all need health insurance that is affordable, our low income shouldn't stop us from having health insurance and having to rely on the state.

I am an essential worker, we are on the front lines risking our health, and we deserve higher wages. We are in a high risk area to contract the virus since we work in the airport. Our job requires us to be closer than 6 feet to our passengers. We try our best to take safety precautions but it is still dangerous. I take care of my elderly mother and I don't want her to catch the virus because of me. I don't want to quit my job, but I decided to work less hours than before because I want to be sure I don't spend too much time in a high risk place like the airport. This has brought down my income by a lot, and sometimes I have to ask for help from my family to pay the bills.

**2021-01-28 SB 107 (Support).pdf**

Uploaded by: Kemerer, Hannibal

Position: FAV

**BRIAN E. FROSH**  
*Attorney General*



**ELIZABETH F. HARRIS**  
*Chief Deputy Attorney General*

**CAROLYN QUATTROCKI**  
*Deputy Attorney General*

**STATE OF MARYLAND**  
**OFFICE OF THE ATTORNEY GENERAL**

FACSIMILE NO.

WRITER'S DIRECT DIAL NO.

410-576-6584

January 28, 2021

To: The Honorable Delores G. Kelley  
Chair, Finance Committee

From: Hannibal G. Williams II Kemerer, Esq.  
Office of the Attorney General

Re: SB0107 – Labor and Employment – Secure Maryland Wage Act – **Support**

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The Office of the Attorney General urges the Finance Committee to favorably report SB 107, Senator Hayes' legislation to require that employees who are employed to work at a heightened security interest location be paid "not less than the combined amount of the wage and fringe benefit rate in effect" the prior year for "Guard I classification for the applicable county established by the United States Secretary of Labor under §§ 6701 through 6707 of the Federal McNamara-O'Hara Service Contract Act of 1965." The bill defines "heightened security interest locations" to include the BWI Thurgood Marshall Airport, Pennsylvania Station in Baltimore, or the Port of Baltimore.

Workers employed in heightened security interest locations should be compensated commensurate with the risks they take to perform their duties.<sup>1</sup> Senate Bill 107 recognizes that fundamental fact and requires employees stationed 50 percent or more at three locations in Maryland be paid overtime and a fair wage.

For all of the foregoing reasons, we urge a favorable report on SB 107.

cc: Committee Members

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<sup>1</sup> See Transcript of the conversation with Wharton legal studies and business ethics professor Robert Hughes by WHARTON SCHOOL OF THE UNIVERSITY OF PENN., *It's a Dangerous Job – but Does Someone Have to Do It?*, (Apr. 1, 2019), <https://knowledge.wharton.upenn.edu/article/dangerous-jobs-ethics/> ("[R]isks that are great enough that it's necessary to pay people more — either to compensate them fairly for those risks, or as an inducement to get them to take the job").



# **PJC Testimony in Support of Secure Wages Act 2021**

Uploaded by: Rodwin, David

Position: FAV



Sally Dworak-Fisher, Attorney  
Public Justice Center  
201 North Charles Street, Suite 1200  
Baltimore, Maryland 21201  
410-1075-9409, ext. 273  
dworak-fishers@publicjustice.org

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## **SB 107 -Labor and Employment – Secure Maryland Wage Act Hearing before the Senate Finance Committee, January 28, 2021**

### **Position: SUPPORT**

The Public Justice Center (PJC) is a not-for-profit civil rights and anti-poverty legal services organization which seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. Our Workplace Justice Project aims to ensure that our state’s low-wage workers receive fair and full payment for their labor, as well as other basic protections on the job. The PJC **supports SB 107** and urges a **favorable** report.

**SB 107 Will Advance Economic, Health, and Race Justice While Protecting Travelers.** Raising the wages of workers at heightened security locations will protect the traveling public by ensuring that such workers are paid wages that better enable them to maintain their health and well-being. A majority of service workers at heightened security facilities are Black and brown, and they have been forced to work through the COVID pandemic while at higher risk for the disease and too often lacking affordable healthcare. In fact, contracted transportation workers are overwhelmingly immigrants and people of color, who are two to three times more likely than their white counterparts to contract COVID-19, and nearly three times as likely to die from the virus. Increasing the wages of this workforce will not only better enable workers to care for themselves and their families, it will also promote the well-being of communities of color that have been hit hardest by the pandemic.

**Low Wages Increase Employee Turnover, Increasing Business Costs and Decreasing Security.** Employee turnover is costly. Turnover causes productivity losses related to the loss of an employee, the costs of hiring and training a new employee, and the slower productivity until that newly employee gets up to speed in their new position. For example, for workers earning less than \$50,000 per year, the median cost of turnover is roughly 20% of the employee’s salary. Similarly, among earning less than \$30,000 per year, the median cost of turnover is roughly 16% of the annual salary.<sup>1</sup> High turnover is

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<sup>1</sup> Heather Boushey & Sarah Jane Glynn, *There are Significant Business Costs to Replacing Employees*, THE CENTER FOR AMERICAN PROGRESS (NOV. 16, 2012), [HTTPS://CDN.AMERICANPROGRESS.ORG/WP-CONTENT/UPLOADS/2012/11/16084443/COSTOFTURNOVER0815.PDF](https://cdn.americanprogress.org/wp-content/uploads/2012/11/16084443/COSTOFTURNOVER0815.PDF).

*The Public Justice Center is a 501(c)(3) charitable organization and as such does not endorse or oppose any political party or candidate for elected office.*

particularly costly at heightened security facilities, where repeated staff changes may affect the traveling public.

**Higher Wages Reduce ‘Churn’ and Increase Productivity.** Comprehensive and well-respected economic research shows that raising employee wages leads to both a reduction in employee turnover and increased productivity.<sup>2</sup> Employees who are paid better are less likely to have to look for other employment to make ends meet; they stay longer and become more experienced and productive in their jobs. Indeed, research on the impact of a living wage ordinance in Los Angeles found that businesses paying a living wage “have witnessed a sizeable reduction in low-wage worker turnover, a drop in absenteeism, reduced overtime hours, and reduced job training relative to the control group of establishments.”<sup>3</sup>

**SB 107 Will Promote a Stable and Productive Workforce at Heightened Security Locations in Maryland.** Maryland’s Port in Baltimore City, its BWI Thurgood Marshall Airport, and Pennsylvania Station in Baltimore are indisputably critical transportation and logistics or shipping hubs, and they play a critical role in our economy. Ensuring that operations run smoothly and safely at these locations is essential, and the individuals who work at these heightened security locations are the people who make it happen. SB 107 would ensure that the individuals who provide their labor at these critical locations have wages sufficient to reduce turnover and increase productivity and represents smart public policy.

For the reasons indicated above, the Public Justice Center **SUPPORTS** SB 107 and requests a **FAVORABLE** report.

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<sup>2</sup> Arin Dube, et al., *Minimum Wage Shocks, Employment Flows, and Labor Market Frictions*, JOURNAL OF LABOR ECONOMICS (Apr. 2016).

<sup>3</sup> David Fairris, *The Impact of Living Wage Ordinances on Employers: A Control Group Analysis of the Los Angeles Ordinance*, 44 INDUST. RELATIONS, A JOURNAL OF ECON. AND SOCIETY 84-105 (Jan. 2005).

*The Public Justice Center is a 501(c)(3) charitable organization and as such does not endorse or oppose any political party or candidate for elected office.*

# **SMWA testimony.pdf**

Uploaded by: Suskin, Rabbi Alana

Position: FAV

As a rabbi, and as co-chair of the Maryland Poor People's Campaign, I write in favor of the Secure Maryland Wage Act. These workers are on the front lines of providing safe transportation across Maryland. While it is a moral and biblical imperative to provide safe working conditions and appropriate remuneration, at this time especially, we need to make sure that these essential workers – crucial to the functioning of our infrastructure, and thus to many other essential workers, as well - are provided with a living wage and health insurance.

Scriptures emphasizes in several places the obligations that we have towards workers at all, normal times: we are always obligated to minimize risk to them, pay them adequately and on time. But in a time of pandemic, we have a special obligation to make sure that their safety is secure, and that they themselves are able to access healthcare.

In addition, Scripture also tells us that all of humanity has one ancestor, and that we are all made b'tzelem elohim – in God's image – and so we are obligated to fight racism and unequal treatment. Yet, we also know that the majority of low wage workers at BWI are people of color. By raising wages and giving access to quality healthcare we begin to address this inequality, and uplift not only these individuals, but their communities. This is especially important now, since it is also people of color who have been most affected by the pandemic: more likely to lost jobs, face foreclosure, and to become ill and to die of this disease. This is morally wrong as well as bad for our state.

No truly religious person offers mere thoughts and prayers; God demands action and change. As representative for the Maryland PPC as well as as a woman of faith, I call on the state to pass the Secure Maryland Wage Act, SB 107.

Rabbi Alana Suskin  
Co-chair, MD Poor People's Campaign

# **Akalu Tirfie Testimony 1.25.pdf**

Uploaded by: Tirfie, Akalu

Position: FAV

### **SECURE WAGE ACT (3)**

Good afternoon. My name is Akalu Tirfie. I work as a Passenger Service Agent for a contractor, Prospect Airport Services at BWI Airport. I help people with disabilities to get to their flights in time, and help them with their luggage. Our passengers have different disabilities including mental, and serving them, we should have individual approach with full alert. It is a physical work as well. Walking up to 12 miles a day, sometimes even running because of the lateness of a passenger, makes the job **physically exhausting**. This in turn, makes impossible for me to do anything after work, let alone to have another extra, at least a part time job. And this makes my income so **scanty**. Furthermore, the job as a physical work, causes a physical health problem. I and some of my coworkers suffer from back pain.

I have health insurance from the state Maryland because the one offered company is very expensive. For sick time we are only given the paid sick time law that allows us to have up to 5 days of sick time but sometimes that is not enough. Often times I still go to work because we don't have enough sick leave and because we are tipped workers we always try to go to work because we need the tips which we don't get when we call out sick. I always try to go to work even if I have problems or I'm sick because I need the money. I've been frightened to go work because of the virus because I could get sick and I only have the 5 days of sick time but I have to go to work to pay my bills.

I have been risking my life and working during the whole COVID 19 period. At the time of the outbreak of the corona virus, many of my coworkers left their jobs due to the virus threat. They were unexpectedly, but fortunate that they were found eligible for unemployment benefit. But for those of us who continued working, our company cut our working hours and we were paid so less to exist, but not small enough for us to be eligible for unemployment benefit. We faced such unfairness despite the fact that we risked and still risking our life. Moreover I am at higher risk of developing severe illness from COVID-19 because of **my age, my high blood pressure and diabetes**.

Airport is a highly secured area. Working there, might be potentially dangerous. The company doesn't take all these into account. It has **no incentive** and **no**

**benefit for employees.** It's principle looks as "**work while able to work**". I am sorry to say, but this reminds me a "**use and throw**" concept.

Because of all that I tried to say above, **The Maryland secure wage act** is the only **remedy** that would help me, my coworkers and our families.

Thank you.



# **SB 107 Secure Maryland Wage Act Testimony.pdf**

Uploaded by: McCulloch, Champe

Position: FWA



**SB 107**  
**Labor and Employment – Secure Maryland Wage Act**  
**Senate Finance Committee**  
**Position: Favorable with amendment**

Maryland AGC, the Maryland Chapter of the Associated General Contractors of America, provides professional education, business development, and advocacy for commercial construction companies and vendors, both open shop and union. AGC of America is the nation’s largest and oldest trade association for the construction industry. AGC of America represents more than 26,000 firms, including over 6,500 of America’s leading general contractors, and over 9,000 specialty-contracting firms, all through a nationwide network of chapters. Maryland AGC respectfully urges the bill be amended to address concerns set forth below, and that, as amended, the bill be given a favorable report.

SB 107 addresses wages for workers at three specified locations: BWI Thurgood Marshall Airport, the Port of Baltimore and Pennsylvania Station in Baltimore City. The bill provides that an employer must pay a covered employee the wages or combination of wages and benefits for the 12-month period beginning January 1, 2022, and each subsequent 12- month period, that is at least the combined amount of the wage and fringe benefit rate in effect on September 1 of the preceding year for the Guard 1 Classification for the applicable county established under specified provisions of the federal McNamara-O’Hara Service Contract Act of 1965 (SCA).

In §3-1501(b), SB 107 defines employee broadly, so that all types of workers come within the ambit of the bill. Thus, SB 107 applies to work for both public and private owners. This is not consistent with the SCA, which applies only to work for federal agencies and specifically excludes contracts for construction, alteration and/or repair, including painting and decorating of public buildings or public works.

SB 107 presents two different sets of issues for construction companies. First, workers on Maryland public work projects must be paid according to the Maryland Prevailing Wage law or the federal Davis-Bacon Act, but SB 107 does not make a distinction and creates a conflict between the proposed Secure Maryland Wage Act and these existing laws. The Guard I category referenced in the bill sets pay at the three locations of \$14.32 wage plus \$4.54 fringe benefits or \$18.86 per hour.<sup>1</sup> There are no prevailing wage rates or Davis-Bacon wage rates for construction in Baltimore City or Anne Arundel County that are less than that amount.

A different issue is presented by construction work performed at one of the specified locations for a private interest rather than a public owner, for example, one of the freight carriers at BWI or a motor carrier at the Port of Baltimore. The wages and benefits required by SB 107 would adversely affect especially some small contractors. SB 107 would require some of a contractor’s employees to receive wages and benefits that other employees performing the same kind of work but at a different location would not receive. This is a prescription for disgruntled employees and workplace

<sup>1</sup> Service Contract Act Wage Determination # 2015-4266, Revision 13, 04/22/2020, beta.SAM.gov, accessed 01/18/2021

friction, to say nothing of the administrative burden and cost of tracking and implementing such a bifurcated system.

The cure, consistent with the SCA, is to exempt all construction work from SB 107. Accordingly, Maryland AGC respectfully urges the Committee to amend SB 107 to exclude construction work and construction related services, as defined in the State Finance and Procurement Article, §11-101(e) and (f), respectively. An amendment to that effect is attached to this testimony. With such an amendment, Maryland AGC can support SB 107 and respectfully requests the amendment and a favorable report.

Champe C. McCulloch  
McCulloch Government Relations, Inc.  
Lobbyist for Maryland AGC

SENATE BILL 107  
First Reading File Bill

Amendment No. 1:

On page 4, in the blank line immediately following line 12, insert “(E) EMPLOYER DOES NOT INCLUDE AN EMPLOYER WHO PROVIDES “CONSTRUCTION” OR “CONSTRUCTION RELATED SERVICES” AS DEFINED IN THE STATE FINANCE AND PROCUREMENT ARTICLE, §11-101(E) AND (F), RESPECTIVELY.” and renumber “E” and “F” to be “F” and “G”, respectively.

**MD Judiciary - Testimony SB 107.pdf**

Uploaded by: Elalamy, Sara

Position: UNF

**MARYLAND JUDICIAL CONFERENCE**  
**GOVERNMENT RELATIONS AND PUBLIC AFFAIRS**

Hon. Mary Ellen Barbera  
Chief Judge

187 Harry S. Truman Parkway  
Annapolis, MD 21401

**MEMORANDUM**

**TO:** Senate Finance Committee  
**FROM:** Legislative Committee  
Suzanne D. Pelz, Esq.  
410-260-1523  
**RE:** Senate Bill 107  
Labor and Employment – Secure Maryland Wage Act  
**DATE:** January 21, 2021  
(1/28)  
**POSITION:** Oppose, as drafted

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The Maryland Judiciary opposes Senate Bill 107, as drafted. This bill pertains to wages paid to a “covered employee” who works at a “Heightened Security Interest Location.” A “covered employee” is defined in the bill as any individual employed to perform work at a Heightened Security Interested Location who is a nonexempt employee under the Fair Labor Standards Act. A “Heightened Security Interest Location” is defined in the bill as 1) Baltimore-Washington International Thurgood Marshall Airport, 2) Pennsylvania Station in Baltimore, or 3) the Port of Baltimore.

Although the Judiciary has no position on the policy aims of this legislation, the Judiciary has concerns about the lack of procedural guidance in the bill for the court in the handling of actions filed pursuant to § 3-1508 of the bill to modify or set aside regulations or orders issued by the Commissioner of Labor and Industry. In addition, certain aggrieved employee challenges regarding wages may be a type of dispute that is more appropriately handled initially by the Office of Administrative Hearings rather than by a court.

In addition, wording in several provisions of the bill could be modified to help ensure clarity and proper application of the law. First, in § 3-1501(f), the bill defines “Wage” to mean “all compensation that is due to an employee for employment,” but the word “compensation” is not defined in the bill. This may cause confusion about whether “compensation” includes only money or whether other benefits are also included. Second, in § 3-1503(a) and § 3-1504(b), the bill uses the word “workweek” but does not provide a definition or cross-reference to a definition given elsewhere by law. Third, § 3-1509(d)(1)(ii) discusses “reasonable counsel fees” but § 3-1509(a)(3) mentions “counsel fees” without including the word “reasonable.” Therefore, modifying § 3-1509(a)(3) to specify “reasonable counsel fees” would enhance consistency. Fourth, § 3-1510 allows an employee to file a complaint with their employer or with the Commissioner, and § 3-1510(b)(1)(iii) prohibits adverse action against an employee based on an employee’s

filing of a complaint, but the statute does not address whether an employer must be notified of a complaint filed with the Commissioner rather than with the employer.

cc. Hon. Antonio Hayes  
Judicial Council  
Legislative Committee  
Kelley O'Connor

**SB0107 - 1.28.21- Secure Maryland Wage Act.final.p**

Uploaded by: Fry, Donald

Position: UNF





**TESTIMONY PRESENTED TO THE SENATE FINANCE COMMITTEE**

**SENATE BILL 107 -- LABOR AND EMPLOYMENT – SECURE MARYLAND WAGE ACT  
Sponsor – Senator Antonio Hayes**

**January 28, 2021**

**DONALD C. FRY  
PRESIDENT & CEO  
GREATER BALTIMORE COMMITTEE**

**Position: Oppose**

Senate Bill 107 would supersede the Maryland Living Wage law by imposing a minimum wage that is based upon the Federal McNamara-O’Hara Service Contract Act for certain nonexempt employees working at areas designated as heightened security locations. The bill defines heightened security locations as the Baltimore-Washington Thurgood Marshall International Airport (BWI), Pennsylvania Station in Baltimore, and the Port of Baltimore. The bill provides that, beginning October 1, 2021, any nonexempt employee who works at least 50 percent of a work week at a designated heightened security location must be paid a wage that is no less than the rate of a Guard I Classification of the Federal McNamara-O’Hara Service Contract Act for the prior year in the County in which the work is performed.

Senate Bill 107 would also cancel any existing labor contracts that do not comply with the new wage rates.

The McNamara-O’Hara Service Contract Act requires contractors and subcontractors performing services on prime contracts in excess of \$2,500 to pay service employees in various classes no less than the wage rates and fringe benefits found prevailing in the locality, or the rates contained in a predecessor contractor's collective bargaining agreement. This practice is commonly referred to as a prevailing wage requirement.

Under current Maryland law, prevailing wage requirements apply to public projects exceeding \$500,000 that meet one of the following criteria: (1) the State or an instrumentality of the State is the contracting body and there is any State funding for the project; (2) a political subdivision is the contracting body and 50 percent or more of the money used for the construction is State money; or (3) a political subdivision is the contracting body for the construction of an elementary or secondary school and 25 percent or more of the money used is State money.

Senate Bill 107 would expand prevailing wage requirements significantly by imposing these requirements based on the geographic location of employment for all covered employees regardless of the funding source or type of work performed at the location. Enactment of Senate Bill 107 would also set a meaningful and potentially damaging precedent by canceling employment contracts negotiated through collective bargaining procedures and for imposing prevailing wage requirements on employers outside of the parameters established by current federal and state statutes.

These actions would signal that the business climate in Maryland is both costly and unpredictable.

The Greater Baltimore Committee (GBC) contends that the enactment of Senate Bill 107 would harm the State's economic vitality and competitiveness by rapidly and drastically increasing operational costs at Baltimore Penn Station, BWI Airport, and the Port of Baltimore. Absent the enactment of similar legislation in neighboring jurisdictions, the cost of doing business at BWI Airport and the Port of Baltimore would be considerably higher than their regional competitors and could drive business out of Maryland to other jurisdictions.

In the GBC's report, *Gaining a Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, two of the eight core pillars of a competitive business environment cited by the State's economic development professionals and top business leaders are:

**Government leadership that treats business as a partner rather than an adversary.** Maryland leaders must set a welcoming tone that communicates positive support for business, respect for the private sector as a partner, not an adversary, and reflects a strategic plan for business growth and job creation.

**Competitive costs of doing business.** Public policies must reflect a government predisposition to nurture business growth and to avoid arbitrarily or disproportionately imposing additional overhead upon the business sector.

Passage of this legislation would be inconsistent with both of these pillars of economic growth and job creation.

The efficient movement of goods and people throughout the State of Maryland is paramount to maintaining the State's economic competitiveness. The Port of Baltimore is linked to nearly 130,000 jobs across the State of Maryland and transports more than \$50 billion in goods per year. As the busiest airport in the region, BWI supports 106,000 jobs and generates \$9.3 billion in total economic impact each year. Baltimore Penn Station is a major, multimodal transportation hub that serves more than one million passengers each year and connects the Greater Baltimore area to the Northeast Corridor.

This legislation also conflicts with the GBC's 2021 Legislative Priorities, which calls for the support of policies that ensure that the cost of doing business in Maryland is competitive with other states. If enacted, Senate Bill 107 would have damaging implications on the market competitiveness and success of these economic drivers for the State of Maryland.

**For these reasons, the Greater Baltimore Committee urges an unfavorable report on Senate Bill 107.**

*The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 64-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.*

# **Southwest Opposition to SB 107 Secure Wages Act 20**

Uploaded by: McDonough, Caitlin

Position: UNF

**Southwest Airlines Co.**

David Richardson  
Senior Director, Governmental Affairs  
(202) 263-6287 – Office  
david.richardson@wnco.com



January 28, 2021

The Honorable Delores Kelley  
Chair, Senate Finance Committee  
Miller Senate Office Building, 3 East  
11 Bladen Street  
Annapolis, MD 21401

**SENATE BILL 107 – LABOR AND EMPLOYMENT – SECURE MARYLAND WAGE ACT**  
**TESTIMONY IN OPPOSITION**

Dear Chair Kelley and Members of the Senate Finance Committee:

Southwest Airlines submits the following comments in opposition to SB 107, the Secure Wages Act, and respectfully urges an unfavorable report. Southwest is the largest employer at BWI Thurgood Marshall Airport and one of the largest employers in the Greater Baltimore region with nearly 5,000 Employees in Maryland, the vast majority of whom belong to a union.

Enclosed is Southwest's letter of opposition from a year ago, which outlines our concerns regarding the impacts of this bill. Now that we're in the midst a deep economic recession – especially for the nation's and state's travel and tourism sector, including the airlines – the reasons for rejecting SB 107 are even more pronounced.

Since March 1, 2020, Southwest Airlines has lost the majority of its Customers and revenue. This has resulted, so far, in nearly 10 straight months of staggering daily cash losses due to the pandemic. Our last reported monthly revenue (for November 2020) was down 63% year-over-year. In order to get back to cash burn breakeven levels, we need to recover to an estimated 60% to 70% of 2019 revenue levels. This is roughly double of where we are today. It is an understatement to say that the COVID-19 pandemic is the worst economic crisis to ever face Southwest and the U.S. passenger airline industry.

Importantly, despite these staggering financial losses, Southwest has managed not to layoff or involuntarily furlough a single Employee, nor have we cut Employee pay (except our CEO's and named Executive Officers). For the past 50 years, Southwest has never had a layoff, involuntary furlough, or pay cut – a tradition we hold dear and that we are desperately trying to maintain. So far, despite the long odds against us, we have succeeded in keeping our workforce whole, other than through voluntary early retirements and extended leaves of absence that were supported by our Unions.

We have been able to survive the pandemic without any draconian actions against our Employees due to a few key factors, which include: a) entering the pandemic with a record amount of cash-on-hand and relatively little debt, b) having investment-grade credit, which

The Honorable Delores Kelley

January 28, 2021

2

has been instrumental in borrowing nearly \$11 billion in 2020 (this is all debt that we have to repay), and c) the generosity of the federal government, which has provided emergency payroll assistance to the airlines and airline contractors (including the employers of the SEIU, which does not represent any Southwest Employees). But, make no mistake, Southwest still incurred billions of dollars in losses in 2020—our first annual loss since 1972—and those staggering losses continue into 2021.

We respectfully request that the Maryland General Assembly not pass any legislation that would place greater cost pressures on Southwest as we continue to avoid layoffs, furloughs, and pay cuts during these extremely difficult times. Moreover, Southwest supports the State's \$15 per hour minimum wage, which was enacted in 2019, and believes that the new statewide minimum wage should be implemented as planned.

We strongly believe now is not the time to impose a higher wage requirements on BWI Marshall employers, including Southwest, which continues to provide a comprehensive compensation package to its largely unionized workforce, including generous healthcare, benefits, and 401K match.

Thank you for your consideration of Southwest's views concerning this very important matter.

Southwest Airlines Co.  
David Richardson  
Senior Director, Governmental Affairs  
919 18<sup>th</sup> Street, NW, Suite 600  
Washington, DC 20006  
(202) 263-6287  
david.richardson@wnco.com



February 5, 2020

The Honorable Delores G. Kelley  
Chair, Finance Committee  
Maryland State Senate  
Annapolis, Maryland 21401

Dear Chairman Kelley:

On behalf of Southwest Airlines, I write in opposition to SB 62, the “Secure Maryland Wage Act.” Southwest opposes this legislation for a few distinct reasons. First, it would make our operations and BWI Thurgood Marshall Airport (BWI) as a whole less competitive vis-à-vis our regional competitors. Second, it would unfairly single-out BWI-based employers for higher costs without conveying a legitimate nexus to safety or security. Lastly, the General Assembly just enacted a higher minimum wage for Maryland-based employees, including those based at the airport, and so we do not understand why the General Assembly is considering reopening this issue.

First, let me say at the outset that, as a lifelong Marylander and a 13-year Southwest Employee, I am particularly proud of the strong and positive partnership between Southwest and the State of Maryland, which now spans over a quarter century. This close working relationship has propelled BWI to become the largest airport in the Greater Washington region. In 1993, Southwest began at BWI with 10 daily nonstop flights and fewer than 100 Employees. Today, we operate over 240 daily nonstop departures at BWI, with over 4,800 Employees, including a Pilot base, a Flight Attendant base, and a Maintenance base. Concerning our Maintenance base, we are partnering with the State of Maryland to construct our first and only Maintenance facility on the East Coast. That facility, combined with other improvements we are working toward completing (e.g., a new baggage handling system), will position Southwest for further growth in Maryland, including more international flights and eventually new international airline partnership(s).

Second, notwithstanding the above, the decision to deploy scarce aircraft and Employee resources at BWI depends in large part on the airport maintaining its low-cost advantage and especially its low-cost advantage over nearby airport competitors. Fortunately, through the superb stewardship of BWI by the State of Maryland, BWI is *the* leader in the region in terms of affordable airport fees, rates, and charges, as well as providing an “easy come, easy go” experience for our shared Customers. And, it is no coincidence that low-cost and ultra-low-cost airlines, in particular, have been attracted to BWI and have grown here. Conversely, it is important to recognize the opposite effect – that any major cost increase to our daily operations would likely make certain markets to/from BWI unprofitable or at least not as profitable as other opportunities in our nationwide network where we are not experiencing the same cost increases. Moreover, BWI’s historic cost advantage has narrowed recently, especially in comparison to Washington Dulles International Airport (IAD). All of which is relevant to the legislation being considered. Frankly, now is not the time to impose costly new requirements on BWI’s airline tenants, especially those looking to grow in the future and have opportunities elsewhere.

Third, although the debate as to whether there should be a "living wage" (or any increase in the minimum wage) is a legitimate issue within the purview of any state government, Southwest believes strongly that any application of any new minimum wage standard should be applied to all industries and all segments of the economy within the jurisdiction contemplating such a new standard. Employees at an airport should be treated no differently than employees at a factory, hotel, restaurant, or office building. In other words, if a "living wage" is being contemplated, we contend that it should be applied broadly to cover all workers in all industries in the State.

There is nothing unique at BWI that justifies a higher minimum wage for only airport-based workers. In fact, if there's one thing that is unique with the work environment at BWI, it is statistically one of the safest places to work in Maryland. If crime is a concern, we cannot think of a recent incident in which there was a violent crime at BWI, thanks in large part to the fine work of the Maryland Transportation Authority Police, as well as the active presence of multiple federal law enforcement authorities. If safety is a concern, I am proud to convey that, in 2019, Southwest had the lowest rate of on the job injuries in our 49-year history. We have not seen any data to suggest that the work environment at BWI is inherently unsafe or insecure. In fact, we believe an objective review of the facts – as well as common sense – will prove the opposite to be true.

Finally, I want to close by highlighting Southwest's record when it comes to Employee issues. I am not aware of another U.S. company – let alone another airline – of our size and with our long history having such an impressive record in this regard. Highlights of Southwest's commitment to our 60,000 (and growing) Employees include:

- 49-straight years of never having a mass layoff or furlough;
- 49-straight years of never cutting wages and benefits of our Employees;
- 46-straight years of Employee profit-sharing, including the equivalent of 12.2% of wages in 2019;
- The most generous salaries and benefits for frontline workers in the airline industry;
- Likely the most generous retirement benefits in the industry, including a 9.3% 401(k) employer match (on top of the profit-sharing);
- "Cadillac" health care plans for all of our Employees;
- 83% unionized – every frontline Employee at BWI belongs to a collective bargaining unit;
- An all-American-built Boeing 737 fleet – the largest all-American-made fleet in the world;
- Call centers based here in the United States

Thank you for considering Southwest's views. If you, your staff, or any of your colleagues have any questions with respect to this matter, please free to contact me at (202) 263-6287 or [david.richardson@wnco.com](mailto:david.richardson@wnco.com).

Sincerely,



David Richardson



## EDITORIAL

# Baltimore by Southwest

**Our view:** Since 1993, Southwest Airlines has grown from discount upstart to BWI-Thurgood Marshall's dominant carrier helping refuel the local economy

**T**wenty-five years ago, it was clear that Baltimore-Washington International Airport was at a turning point. The facility was aging and unexciting. It couldn't keep up with its neighboring airports, particularly its nearby competitors in Northern Virginia, even as demand for air travel grew. So state transportation officials under Gov. William Donald Schaefer came up with a plan — build a light rail line connection, expand the number of gates and amenities inside the main terminal, and oh, welcome some Dallas-based low-cost upstart airline that specialized in short-hauls, offered discount prices and liked to fly to and from less-congested airports.

This month marks a quarter-century for Southwest Airlines at BWI-Thurgood Marshall, and few businesses have had a greater positive impact on Baltimore's economy during that same period. The airport's transformation from a hub for USAir, an airline that doesn't even exist anymore (having been absorbed into American), to Southwest's second busiest stop is stunning to behold. Not just because Southwest dominates BWI service, handling about 7 out of 10 airport passengers, but because it's cranked up the volume to record levels — and continues to grow. How fitting that the 25th anniversary of Southwest's arrival coincides with its announcement that it is investing, along with the state, in an enormous \$130 million, 130,000-square-foot hangar to help service and store aircraft.

Traveling by Southwest might not be everyone's cup of tea. It doesn't do assigned seats. It doesn't sell tickets through third-party vendors. The onboard comforts are modest; there is no first-class and the seats are not exactly roomy. But the prices are always competitive. The airline doesn't nickel-and-dime customers on checked or overhead bags. Service is friendly. Compared to other no-frills airlines, Southwest is a Cadillac. The formula has been a winner. It generally ranks high in customer satisfaction surveys, and while not the nation's biggest, Southwest is widely regarded as North America's fastest growing carrier.

In other words, Southwest found the right business model for the

deregulated air travel era, and BWI is flying high thanks to that relationship. Not only do more people fly in and out of BWI than through Ronald Reagan National or Dulles International, but it's generated billions of dollars for the local economy. The most recent state-commissioned study estimates BWI generates a total of \$9.3 billion in economic activity and 106,488 jobs, with roughly half coming from the airport directly and half from visitors. The airport handles more than 26 million passengers per year. That's roughly the equivalent of every man, woman and child in New York City — times three. Southwest alone employs more than 4,000 people, which makes it an even larger Maryland employer than Under Armour.

Make no mistake, when economic development officials from Baltimore and surrounding counties make a pitch to businesses — like Amazon's HQ2, for example — to come to Central Maryland, the convenience and affordability of Southwest-driven BWI Airport is near the top of the list of amenities. And how many existing small and medium-sized companies appreciate the convenience of that Southwest connection as well? The ease of business travel is a major benefit for enterprises of all kinds.

Shortly before Southwest's arrival, The Baltimore Sun editorialized that BWI, which had "capacity to spare," should be pleased to welcome Southwest and its flights to Chicago and Cleveland (the only two cities the airline served from BWI initially). But we also fretted it as a "mixed blessing" as it might "drive away marginal competitors." Ouch. That did, indeed, happen, and it proved to be a good thing. Perhaps BWI's role in it was a matter of luck, as the airport had the capacity just when a rapidly-growing carrier needed it. Certainly, there are still challenges ahead — dealing with noise generated by federally-approved redirected flight paths, for example. Still, there's little on the horizon to suggest the growth will falter anytime soon. As a high-octane generator of economic activity, the Southwest-BWI partnership has remained a bright spot in good times and bad.



## Baltimore

**Airport** [Baltimore/Washington International Thurgood Marshall Airport](#)

**Starting Service** September 15, 1993

Ten daily nonstop departures to two cities:  
Chicago (Midway) and Cleveland.

36th city in Southwest's system

**Current Service** As of Jan 20, 2020, Southwest will offer up to 248 departures a day to 69 cities:  
Albany, Albuquerque, Aruba, Atlanta, Austin, Birmingham, Boston (Logan), Buffalo/Niagara Falls, Cancun, Charleston, Charlotte, Chicago (Midway), Cincinnati, Cleveland, Columbus, Dallas (Love Field), Denver, Detroit (Metro), Fort Lauderdale, Fort Myers, Grand Cayman, Grand Rapids, Greenville-Spartanburg, Hartford/Springfield, Houston (Hobby), Indianapolis, Islip, Jacksonville, Kansas City, Las Vegas, Liberia, Los Angeles (LAX), Louisville, Manchester, Memphis, Milwaukee, Minneapolis/St. Paul, Montego Bay, Nashville, Nassau, New Orleans, Norfolk, Oakland, Oklahoma City, Orlando, Panama City Beach, Pensacola, Phoenix, Pittsburgh, Portland (PWM), Portland (PDX), Providence, Turks & Caicos, Punta Cana, Raleigh-Durham, Rochester, Sacramento, Salt Lake City, San Antonio, San Diego, Cabo San Lucas/Los Cabos, San Jose, San Jose (Costa Rica), San Juan, Seattle, St. Louis, Tampa, Tulsa, West Palm Beach

**Gates** 31

<b>Employees</b>	Cargo & Charters	7
	Communications & Outreach	1
	Facilities	7
	Flight Operations	1,224
	Ground Operations	1,402
	Inflight Services	2,051
	People Dept	7
	Regulatory Programs & Compliance	1
	Southwest Business	5
	SWA University	11
	Technical Operations	134
	Technology	5
	<b>Total</b>	<b>4,855</b>

Southwest Airlines serves 103 destinations across the United States and ten additional countries. Number of departures reflective of peak weekday in currently published flight schedule. Some gates are common-use or shared facilities. Read more about Southwest's commitment to the triple bottom line: Performance, People, and Planet

# **Aero Service - Opposition Letter - Wage Bill -SB 1**

Uploaded by: Peters, Sarah

Position: UNF



6111 Excelsior Blvd.  
St. Louis Park, MN 55416-2725  
Tel: (952) 922-8720  
Fax: (952) 746-3312

**Bill:** SB 107- Labor and Employment- Secure Maryland Wage Act

**Position:** OPPOSE

**Committee:** Senate Finance

Dear Chair, Vice-Chair, and Members of the Committee:

Aero Service Group is a minority owned Airport Concessions Disadvantaged Business Enterprise ("ACDBE") operating one full-service restaurant at the Baltimore/Washington Thurgood Marshall International Airport ("BWI Marshall"). We have been at BWI Marshall since 2007 and employ approximately 30 people in salaried and non-salaried positions.

SB 107 would mandate a higher minimum wage for any employee who spends at least 50% of their workweek at "heightened security interest locations," including BWI Marshall. This would include employees working in restaurants and retail stores at BWI Marshall who perform no security-related functions.

Without question, the security of BWI Marshall is critically important. However, this security should be performed by trained professionals such as TSA Officers or Airport Police Officers, not restaurant and retail workers. SB 107 would require us to treat restaurant and retail workers the same as security personnel and pay the higher wages of a Class I Guard. No neighboring jurisdiction has such requirements.

At BWI Marshall, the prices we charge for products/services are limited to "street pricing," which is the price charged in neighboring jurisdictions. The Bill would make the cost of doing business at BWI Marshall significantly higher than neighboring jurisdictions, placing us at a significant disadvantage. Our revenue is limited to street pricing, but our costs will be much higher due to the higher wages required under SB 107. This is not sustainable and many small and minority owned businesses at BWI Marshall will be forced to reduce staff or hours.

For these reasons, we respectfully request a "no" vote on SB 107.

Please feel free to contact me at [cheng.lor@aero-sp.com](mailto:cheng.lor@aero-sp.com) or (952) 922-8720 if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Cheng Lor".

Cheng Lor  
President  
Aero Service Group

# **Airport Subs - SB-107 Wage Bill Opposition Letter.**

Uploaded by: Peters, Sarah

Position: UNF

**Airport Subs Inc.  
DbA Subway B-6b & Urban BBQ C-215**

**Bill:** SB 107- Labor and Employment- Secure Maryland Wage Act

**Position:** OPPOSE

**Committee:** Senate Finance

Dear Chair, Vice-Chair, and Members of the Committee:

My name is Ali Goraya and I am an ACDBE small business operator. I operate a Subway restaurant on pier B and an Urban Bar-B-Que restaurant on pier C of the BWI airport. In addition to these airport restaurants I have a few street side restaurants as well. The cost of operating a restaurant at the airport is much higher as compared to a traditional street side restaurant. The reason being higher rent and significantly higher labor cost. It is extremely difficult to attract and retain good employees at the airport because of issues like parking, TSA security check points and background checks in order to obtain an airport employee badge. Employers have to pay on average about 20% more to employees for an airport job as compared to a same job on a street side location. So the labor cost for an airport concessionaire is significantly higher to begin with.

SB 107 would mandate an even higher minimum wage for any employee who spends at least 50% of their workweek at "heightened security interest locations," including Baltimore/Washington International Thurgood Marshall Airport (BWI Marshall). This would include employees working at BWI Marshall who perform no security-related functions, such as employees working at retail stores and restaurants.

During normal times (pre-pandemic) at the airport, rent is about 20% to 22%, cost of goods sold is about 30% to 35% and labor cost is about 30% to 40% of a restaurant's total revenues. After subtracting insurance, utilities, repairs/maintenance, royalties (if applicable) and miscellaneous charges from the total revenue, an operator's bottom line is somewhere around 5% to 10% of total revenues and that is when sales are normal. During these times of distressed sales many operators are operating at significant losses. Any increase in the labor cost or any other cost associated with doing business at the airport will be absolutely detrimental to all of the businesses operating at the airport.

This bill would also make the cost of doing business at BWI Airport significantly higher than neighboring jurisdictions, placing us at a significant disadvantage and would undoubtedly put many of the small ACDBE operators like myself out of business.

For these reasons I, Ali Goraya (Airport Subs Inc. DbA, Subway & Urban BBQ) respectfully requests an unfavorable vote on SB 107.

Should you have any questions, please feel free to contact me at [bwiairportsubs@gmail.com](mailto:bwiairportsubs@gmail.com) or at my cell 240-938-1514.



Ali Goraya  
President  
Airport Subs Inc.

# **Cinnabon - wage Bill SB-107 Opposition Letter.pdf**

Uploaded by: Peters, Sarah

Position: UNF



**Bill:** SB 107- Labor and Employment- Secure Maryland Wage Act

**Position:** OPPOSE

**Committee:** Senate Finance

Dear Chair, Vice-Chair, and Members of the Committee:

My name is Cameron Huey. I own and operate a Cinnabon franchise at BWI airport. We have been at this location for five years. We sell snacks and drinks that have become a virtual necessity for airport employees and passengers. Unfortunately due to the lack of flights we have been closed since March of last year. I hope to reopen this spring. Bill SVS 107 would add an enormous expense to our operation that sells snacks and drinks only and is not involved in airport security. Our greatest challenge is currently the lack of passengers, this bill would add another monumental challenge.

SB 107 would mandate a higher minimum wage for any employee who spends at least 50% of their workweek at “heightened security interest locations,” including Baltimore/Washington International Thurgood Marshall Airport (BWI Marshall). This would include employees working at BWI Marshall who perform no security-related functions, such as employees working at retail stores and restaurants.

I can proudly tell you that we already hire and retain well trained, competent and satisfied employees. We currently pay an average that is well above the minimum wage. Instituting a new base minimum wage does not mean everybody is paid that. It would mean that I would have to start New employees at at least that rate but other employees with experience and supervisory positions would all have to be increased as well. A rising tide raises all ships. The current minimum wage in Maryland is \$11.75. I start all of my employees at at least \$13 an hour and pay up to \$20 an hour. 2020 has already been the most difficult year for our business or any other business that I run in 25 years. 2021 will prove to be equally challenging. The results of this bill if pass will ensure that I operate at a greater loss.

This bill would also make the cost of doing business at BWI Airport significantly higher than neighboring jurisdictions, placing us at a significant disadvantage

For these reasons, Cameron Huey, franchisee, Cinnabon, respectfully requests an unfavorable vote on SB 107.

Should you have any questions, please feel free to contact me at [cameronhuey@comcast.net](mailto:cameronhuey@comcast.net)

Sincerely,  
Cameron Huey,  
Franchisee, Cinnabon



# **CRC Restaurant Group - Wage Bill SB-107-Opposition**

Uploaded by: Peters, Sarah

Position: UNF



t/a Obrycki's  
t/a R&R Seafood Bar

1810-J York Rd. Ste 172  
Lutherville, MD 21093

410-859-5723  
owners@crcrestaurants.com

January 15, 2021

Bill: SB107- Labor and Employment- Secure Maryland

Position: OPPOSE

Committee: Senate Finance

Dear Chair, Vice-Chair, and Members of the Committee:

My family business, CRC Restaurants Inc., is a locally owned ACDBE business (Airport Concessions Disadvantaged Business Enterprise), that has been operating at BWI Thurgood Marshall Airport since we opened Obrycki's Restaurant & Bar in 2006. We have three locations past security at BWI - Obrycki's on Concourse B, R&R Seafood Bar on the D/E Connector, and R&R Seafood Bar on the A Concourse.

Due to the effect that Covid 19 has had on travel, only one, Obrycki's Restaurant & Bar, is currently open at 25% capacity as mandated by AACO Executive, Steuart Pittman. When R&R on D/E was open, sales were so low that we couldn't cover operating expenses, so we made the difficult decision to close until further notice. Since Southwest Airlines isn't using gates near our third location, R&R on the newly expanded A Concourse has been sitting vacant since construction was completed last June. Prior to Governor Hogan's mandated restaurant shutdown in March 2020, we employed 61 people. Currently, due to the impact that Covid 19 has on travel and limited capacity, we employ 31 people.

We are opposed to SB-107 for several reasons.

Working at BWI is unlike working at street locations, since staff must pass a security clearance, take a shuttle from employee parking to the airport, and go through the TSA checkpoint just to get to work. In order to recruit and retain quality employees we already offer competitive wages and benefits.

Our employees are hired to manage staff, wait on and serve guests, prepare drinks and food, and other restaurant specific responsibilities. They are not trained to respond to or assist in the event of a security breach, emergency, or an evacuation, and it is an unreasonable and unsafe expectation.

There are various levels of security clearances at BWI Airport, and restaurant employees have limited access. Most are allowed in the concourses only, a few can access doors and elevators to the basement and airfield. However, in an emergency, only designated first responders are allowed in those areas.



t/a Obrycki's  
t/a R&R Seafood Bar

1810-J York Rd. Ste 172  
Lutherville, MD 21093

410-859-5723  
owners@crcrestaurants.com

This bill, setting a special minimum wage for employees working in secure locations, would also increase the cost of doing business at BWI Airport. The restaurant industry has been particularly hard hit by the pandemic, with many already closed while the rest of us are in survival mode. If we are required to set wages in relation to security officers, in the short term service will suffer, since we will be forced to reduce our staffing to cover the costs, and in the long term many of our businesses won't survive.

For these reasons, Cheri Cernak, Rob Cernak, and Cindy Cernak respectfully request an unfavorable vote on SB 107. Should you have any questions, please feel free to contact me at [cheri@crcrestaurants.com](mailto:cheri@crcrestaurants.com) or 410.336.5848.

Sincerely,

*Cheri Cernak*

Cheri Cernak

President

CRC Restaurants Inc.

# **D & D Food Company - Wage Bill SB-107 - Opposition**

Uploaded by: Peters, Sarah

Position: UNF

*D and D Food Company LLC*

*911 Forksbridge Court*

*Gambrills, MD 21054*

Bill: SB 107 - Labor and Employment Secure Maryland Wage Act

Position: OPPOSE

Committee: Senate Finance

Dear Chair, Vice-Chair and Members of the Committee:

We are a small business Airport Food Beverage Concessionaire inside BWI Airport, D and D Food Company LLC dba Arby's inside Southwest Airlines Terminal AB Food Court since 2007.

We are happy to serve Travellers and Airport Workers with good food, good service and clean store. Clean Kitchen, Hard working Fast Food Team Members produced Good Quality Food and Service, and Happy Returning Guests. Our Team is committed to focus on those aspects that makes an Airport Food Beverage Concessionaire a good Option to eat for Travellers. We are a Diverse Team. We recruited Students as young as 16 years old and first job for them, Mothers, Grandmothers, Grandfathers, Senior Citizens, Retirees, Newly come to the country Legal Immigrants that barely speak English and still enrolling in English Language School, we trained them to comply to Health Department Rules especially during CoVid Pandemic period and to follow Arby's Periodical Training Food Program.

As our Managers advised me as Arby's Franchisee, there have been challenges to train our Diverse Workers to be in Strict Compliance with Health Department guidelines and Arby's Periodical Updated Procedure System due to More Extensive Rules from Health Department and the City Guideline how to operate store during Pandemic or at the Airport, Arby's Monthly and Quarterly Changing Updated Guidelines on Food Recipes and Daily and Periodical Operation Procedure in Cooking, Ordering, Scheduling, Brand Franchise Management, Zoom Meeting, Webinar Food Training, Promo Materials, etc.

Some of the Challenges our Workers face are below:

a First Job Holder (they are full time students 16-24 years old, thus their main focus is still School),

Single Moms (who have to juggle between babysittings, online school children, other errands as Mothers),

Senior Citizens ( 55 years old and older) and yet they have to keep their knowledge of Arby's and Pandemic Restaurant Operation Procedure updated in Fast Changing Food Environment

Newly Admitted Legal Immigrant Worker to the Country from different parts of the World (Language Barrier, this makes Training becomes slower and longer)

To add more responsibilities to the above Workers especially during difficult period of Pandemic, would certainly be an extra load of work for them and not all of them would welcome the extra Responsibilities and additional Training knowledge since they are still on Ongoing Learning everyday to keep their knowledge updated with Changing Rules during the Pandemic from Franchisor and from Airport Landlord Concessionaire and Health Department.

What I heard is:

SB107 would mandate a higher minimum wage for any employee who spends at least 50% of their workweek at Heightened Security Interest loactions including BWI Airport. This would include employees working at BWI who perform no security related functions, such as employees working at fast food food court.

We donot think it is a good idea to add more responsibilities to our Fast Food Team Members especially at this Pandemic time. Their main focus is supposed to be serving Travellers or Guests with Good Food and Quick Service at a Clean Store that complies with Local Health Department rules, Landlord Rules and Arby's Franchise Rules. We donot want their attention to be distracted to more responsibilities that donot really relate to their Main Responsibilities as Fast Food Team Members. I think most Workers who presently already have challenges in learning on the job would be discouraged to work at the Airport if they are told to learn more things that donot really relate to their main job as they were advised when we hired them.

For these reasons, D and D Food Company LLC respectfully requests an unfavorable vote on SB 107.

Thank you.

Respectfully,

A handwritten signature in black ink, appearing to read 'Inez', with a long, sweeping underline that extends to the right.

Inez Setiabudi

President

D and D Food Company LLC

Dbas Arby's BWI Airport food court

# **McDonalds-Bill SB-107 Opposing Letter.pdf**

Uploaded by: Peters, Sarah

Position: UNF





Isaac D. Green  
Owner Operator  
Baltimore Washington Region

E-mail: isaac.green@mcd.partners.com

**Bill:** SB 107- Labor and Employment- Secure Maryland Wage Act

**Position:** OPPOSE

**Committee:** Senate Finance

Dear Chair, Vice-Chair, and Members of the Committee:

As an owner/operator of a McDonald's franchisee, I have a total of fourteen restaurants, two of which are in the BWI airport. As you know Covid-19 is causing a negative financial impact on many business', including mine. Unfortunately, due to the restrictions on travel, the airports are being severely impacted, with over 60% decreases in sales. Navigating through the impact of Covid-19 with the addition of this proposed bill will simply add salt to an open wound.

SB 107 would mandate a higher minimum wage for any employee who spends at least 50% of their workweek at "heightened security interest locations," including Baltimore/Washington International Thurgood Marshall Airport (BWI Marshall). This would include employees working at BWI Marshall who perform no security-related functions, such as employees working at retail stores and restaurants.

This bill would also make the cost of doing business at BWI Airport significantly higher than neighboring jurisdictions, placing us at a significant disadvantage.

For these reasons, I, Isaac Green/Susdewitt Enterprises LP respectfully requests an unfavorable vote on SB 107.

Should you have any questions, please feel free to contact me at isaac.green@partners.mcd.com or 301-577-1304.

Sincerely,

Isaac Green  
President  
Susdewitt Enterprises T/A McDonald's

# **Onsite Wage Bill 107 - 2021.pdf**

Uploaded by: Peters, Sarah

Position: UNF



**Bill:** SB 107- Labor and Employment- Secure Maryland Wage Act

**Position:** OPPOSE

**Committee:** Senate Finance

Dear Chair, Vice-Chair, and Members of the Committee:

Onsite Retailers is an independent merchant, licensed franchisee, and joint venture partner operating in six major United States airports. Baltimore Washington International Thurgood Marshall Airport (BWI Marshall) is our genesis location and main headquarters since 2004. We have won several airport industry awards and have been nominated for Best in News & Gifts Operator and Retailer with the Highest Regard for Customer Service from Airport Revenue News. As the only news & gifts Certified Airport Concession Disadvantage Business Enterprise (ACDBE) independently operating at BWI Marshall, we are uniquely positioned to understand the related disservice to continued business practices inherent in the passing of this bill.

SB 107 would mandate a higher minimum wage for any employee who spends at least 50% of their workweek at "heightened security interest locations," including BWI Marshall. This would include employees working at BWI Marshall who perform no security-related functions, such as employees working at retail stores and restaurants.

Onsite is committed to retaining our current employees which has been our main priority during the pandemic. However, this bill would drastically impact our capacity to continue to do so. An increase in labor costs would create further hardship during a national pandemic and would further limit our ability to retain our current staff. Layoffs instituted due to reduced travel and Covid-19 restrictions would be exacerbated by SB 107 and make a return to normal operations that much harder to attain.

This bill would also make the cost of operating our business at BWI Marshall significantly higher than neighboring jurisdictions, placing us at a significant disadvantage.

For these reasons, Onsite Retailers respectfully requests an unfavorable vote on SB 107.

Please feel free to contact me at 301-218-4500 or [sroberts@onsiteretailers.com](mailto:sroberts@onsiteretailers.com) should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sandy A. Roberts'. The signature is stylized with a large 'S' and 'A'.

Sandy A. Roberts  
President, Chief Executive Officer

# **Silver Diner - Bill SB 107 Opposition Letter.pdf**

Uploaded by: Peters, Sarah

Position: UNF



Bill: SB 107- Labor and Employment- Secure Maryland Wage Act

Position: OPPOSE

Committee: Senate Finance

Dear Chair, Vice-Chair, and Members of the Committee:

My name is Kyle Rudich and I am Director of Operations for Silver Diner at BWI Thurgood Marshall Airport. Silver Diner is a Maryland based company, and for over 30 years has served the Maryland community.

We are vehemently opposed to including restaurants in the SB 107 proposed bill on two grounds.

1. Restaurant workers do not perform any security related functions. We are solely in business to serve food, and we leave the security to the professionals. We only go as far as “See something, say something” which is the responsibility of all Maryland residents. It would be unfair to include us with the professionals whose job it is to secure the airport.
2. Due to the Covid 19 global pandemic, restaurants are being subjected to draconian cut backs, and are barely able to stay in business. Right now, we are only able to operate at 25% capacity. We have been losing money for close to a year now, and are barely staying in business. On top of this, the airline industry is in a dramatic freefall, and is not expected to recover for another 3-4 years. To expect us to now have to pay a higher minimum wage, would definitely put us on the verge of going out of business, and therefore create hardship for all involved, including our employees.

For these reasons, Silver Diner respectfully requests an unfavorable vote on SB 107.

Should you have any questions, please feel free to contact me:

Kyle Rudich  
Director of Operations – Silver Diner  
krudich@silverdiner.com

# **Skys the Limit, Inc. - SB-107 Wage Bill - Opposit**

Uploaded by: Peters, Sarah

Position: UNF



*Fresh, Hot, Hand-Rolled Soft Pretzels*

SKYS THE LIMIT OF MARYLAND  
10601 Tulip Lane • Potomac, MD 20854  
Phone/Fax: (301) 294-9324

**Bill:** SB 107- Labor and Employment- Secure Maryland Wage Act

**Position:** OPPOSE

**Committee:** Senate Finance

Dear Chair, Vice-Chair, and Members of the Committee:

Auntie Anne's Pretzels operates three locations at BWI airport. We have been operating at BWI since 2006. Our locations provide food to passengers and airport employees. We have grown with the airport and understand the opportunities and challenges operating in an airport. Right now our challenge is getting people to fly again. We were closed for some time and have not reopened all locations due to lack of flights. As we try to provide service at BWI SB 107 would add a tremendous additional cost to a business that provides snacks and drinks only and in no way deals with security issues.

SB 107 would mandate a higher minimum wage for any employee who spends at least 50% of their workweek at "heightened security interest locations," including Baltimore/Washington International Thurgood Marshall Airport (BWI Marshall). This would include employees working at BWI Marshall who perform no security-related functions, such as employees working at retail stores and restaurants.

Presently we pay well above the minimum wage at BWI. This allows us to keep and retain quality well trained employees. SB 107 would bring us to a minimum wage that will make operating at a loss a reality. Please understand that creating a new minimum requires raising all wages to new levels. To clarify; if the new floor goes up, all existing employee's wages go accordingly to match increase at new artificial base. Doing business is hard enough. Doing business in 2021 has never been harder. As we are well aware businesses like mine are closing at an alarming rate never seen before. This bill will only accelerate for businesses like mine.

For these reasons, Auntie Anne's Pretzels respectfully requests an unfavorable vote on SB 107.

Should you have any questions, please feel free to contact me at 301-580-9785.

Sincerely,

Joe Katz

President, Auntie Anne's Pretzels BWI Airport

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# **SB0107 - MPA MAA - Secure Maryland Wage Act - FINA**

Uploaded by: Westervelt, Patricia

Position: UNF

January 28, 2021

The Honorable Delores G. Kelley  
Chair, Senate Finance Committee  
3 East, Miller Senate Building  
Annapolis MD 21401

**Re: Letter of Opposition – Senate Bill 107 – Labor and Employment - Secure Maryland Wage Act**

Dear Chair Kelley and Committee Members:

The Maryland Department of Transportation respectfully opposes Senate Bill 107, as it would have a significant negative impact on our Transportation Business Units (TBUs), resulting in a competitive disadvantage and a strain on the business operations in the State.

This legislation mandates a higher minimum wage for any employee who spends more than 50% of their workweek at “heightened security interest locations,” including Baltimore/Washington International Thurgood Marshall Airport (BWI Marshall), Pennsylvania Station in Baltimore, and the Port of Baltimore. Covered employees would include any individual working at the Port of Baltimore or BWI Marshall, whether or not they work as security guards or perform security-related functions. Notably, the boundaries of the “heightened security interest locations” are unclear, and it is not possible to determine exactly which employees are considered to be stationed at BWI Marshall and the Port of Baltimore and covered under the legislation.

As a threshold matter, Senate Bill 107 places a fiscal and operational burden on MDOT’s TBUs and private industry partners, as it voids all current agreements that do not meet the new increased wage, and allows employees to sue the employer to recover twice the difference between the mandated wage and the actual wage, plus attorney fees and costs. Imposing an additional fiscal burden on employers of lower wage workers at the designated locations is especially poorly timed since these employers, if they have not gone out of business, will be trying to come back from extended closures and restricted activities resulting from the pandemic.

At the Port of Baltimore, the MDOT Maryland Port Administration (MDOT MPA) works hard to accomplish its mission to increase waterborne commerce through the State of Maryland in a way that benefits the citizens of the State and the City of Baltimore. In doing so, the Port generates 15,330 direct family-supporting jobs for Marylanders. The average wage of those jobs exceeds the statewide average annual wage by 9.5%.

The premise that Senate Bill 107 is needed to protect public safety is misleading. For 12 consecutive years, the state-owned, public marine terminals at the Port of Baltimore have received a top rating on an annual security assessment from the U.S. Coast Guard, the latest coming in 2020. The Coast Guard conducts annual and thorough examinations of the Port’s six public marine terminals: Dundalk, Seagirt, North Locust Point, South Locust Point (including the cruise passenger terminal), Fairfield, and Masonville. Furthermore, statistically, employees at the Port of Baltimore experience a below average turnover rate for a similar position in Maryland.

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At BWI Marshall, there would be a greater cost for private sector businesses operating at the airport. This legislation would impact costs for security, retail and food providers, custodial services, airfield handling personnel, ground transportation employees and others. The global pandemic led to an extremely challenging operating environment for tourism, business travel, and the aviation industry overall. At BWI Marshall, departing passenger traffic was down 61.5 percent for calendar year 2020, with similar impacts seen so far in 2021. As the COVID-19 emergency has continued to surge, the challenging conditions in the aviation industry are far from over. The requirements in this bill would hinder private sector businesses at BWI Marshall recovering from the pandemic.

The MDOT Maryland Aviation Administration (MDOT MAA) is committed to providing a safe and secure environment for the flying public at BWI Marshall. The MDOT MAA's partnerships with the Maryland Transportation Authority Police, Joint Terrorism Taskforce, Federal Bureau of Investigation, and Transportation Security Administration have bolstered the security posture of the airport. These agencies remain vigilant to preserve airport security and prevent crime at BWI Marshall. In recent years, BWI Marshall has experienced a decrease in Part 1 crimes at the airport and those crime reductions have continued through 2020. Senate Bill 107 will not enhance the safety and security of BWI Marshall.

BWI Marshall is the lowest cost airport in the metropolitan region. Cost increases for the MDOT MAA and its private sector partners will increase the chance of loss of passengers and cargo. Maryland has benefited by the savings to our customers. BWI Marshall accounts for over 106,000 jobs and generates \$9.3 billion in economic impact for the state.

For the Port of Baltimore and BWI Marshall to continue to operate successfully as economic engines for the State, growth cannot be impeded by the unfounded mandate to increase wages with the false notion that it would ensure safety and reduce turnover.

For these reasons, the Maryland Department of Transportation respectfully requests the Committee grant Senate Bill 107 an unfavorable report.

Respectfully Submitted,

William P. Doyle  
Executive Director  
Maryland Port Administration  
410-385-4401

Pilar Helm  
Director of Government Affairs  
Maryland Department of Transportation  
410-865-1090

Ricky D. Smith, Sr.  
Executive Director  
Maryland Aviation Administration  
410-859-7060