



October 29, 2018

The Honorable William K. Greenlee
Committee on Law and Government
400 City Hall
Philadelphia, PA 19107

Dear Chairman Greenlee and Members of the City Council:

On behalf of the National Retail Federation (NRF), I write to oppose Bill No. 180649, entitled “Fair Workweek Employment Standards,” which will be heard in the Committee on Law and Government on October 30, 2018. Retail is a dynamic industry where flexibility is key to both serving today’s consumer as well as meeting the needs of employees. The restrictive nature of this bill will undermine the unique solutions retailers develop to address scheduling flexibility for their employees. It has the potential to create several unintended consequences, including penalizing communities most in need of flexible job opportunities.

By way of background, NRF is the world’s largest retail trade association, representing discount and department stores, home goods and specialty stores, Main Street merchants, grocers, wholesalers, chain restaurants and Internet retailers from the United States and more than 45 countries. Retail is the nation’s largest private sector employer, supporting one in four U.S. jobs – 42 million working Americans. Contributing \$2.6 trillion to annual GDP, retail is a daily barometer for the nation’s economy.

NRF shares the City Council’s goal to create a competitive and dynamic economy in Philadelphia so that businesses thrive and create new job opportunities. Today’s consumers shop for their services and products through multiple channels and expect availability on their terms. Employees seek flexible work schedules that are tailored to the needs of their lives—including school, family obligations and other interests. This is the world in which a Philadelphia store owner or restaurateur must compete. Flexibility is key to remaining competitive to customers’ demands and employee expectations.

As consumers shop and access goods and services through multiple channels—in stores, online and mobile—Philadelphia retailers will be further disadvantaged by this bill. Online retailers without a physical presence in the city may sell to its residents and avoid compliance with this new regulation. Enacting this proposed bill will put Philadelphia store owners at a competitive disadvantage, harming the jobs they provide your residents.

We understand several amendments may be proposed in response to the concerns of the Philadelphia business community. While we sincerely appreciate that the members of the City Council are working to address those concerns, this proposal ultimately interferes with the operations of private retail businesses within the city. Owners and store managers are in the best position to understand and respond to the needs of their employees and community. The

regulation of scheduling practices will take time, attention and resources away from managers duties to train, coach, hire and lead.

Requiring the distribution of available hours to current employees will further restrict the independence of Philadelphia business owners and store managers and reduce new employment opportunities for Philadelphians who need them most, particularly vulnerable youth populations. The unintended negative consequences of this provision run counter to Mayor Kenney's goal of significantly increasing the number of young people who are connected to the workforce by 2020.

Finally, we are concerned by any proposed amendment to this bill that will allow anyone with an interest in enforcing this law the ability to pursue legal action. By allowing third-party organizations with no direct relationship to the employer to be party to legal action, it will increase the potential for frivolous litigation. This expansion of liability from entities or persons unrelated to the operation of the business creates uncertainty and will limit business and economic growth in the city.

We recommend this Committee, and the City Council, reject Bill No. 180649, so that the solutions employers have developed to address scheduling flexibility are not disrupted. NRF has consistently opposed restrictive scheduling mandates in jurisdictions around the country because they carry unintended consequences for both employers and employees. Compliance costs associated with this bill will divert limited resources and management's attention away from job training and other employee benefits. We believe this bill will deter new business creation and expansion within the city of Philadelphia.

Thank you for your consideration and for the opportunity to provide our views on this measure to the Committee and Councilmembers.

Sincerely,

A handwritten signature in black ink, appearing to read "David French".

David French
Senior Vice President
Government Relations

cc: Councilman Derek Green
Councilman David Oh
Councilwoman Helen Gym
Councilman Curtis Jones, Jr.
Councilman Brian J. O'Neill
Councilwoman Cindy Bass