



Oppose HF 2774: Broad, bureaucratic & unnecessary

HF 2774 Would Impact the Supply Chain & Harm Small Businesses

- HF 2774 would **impact businesses in every sector that rely on warehouses and workers** that are essential to getting products onto store shelves, feeding Minnesotans, and powering the e-commerce world.
- The bill is **far reaching and touches Minnesota businesses of all industries**. Agriculture, food manufacturing, beverage distribution, commercial real estate, retail, manufacturing, medicine and more all have significant warehouse space, operations and partners that would be impacted.
- Small businesses that pivoted during the pandemic to offer more online services turned to warehouses as partners as they struggled to stay open and serve customers. **Small businesses rely on consistent services from fulfillment partners to meet their customer expectations**. With the growth of same day delivery and other services, consumers' expectations have drastically changed.
- Our supply chain is under significant stress at the moment. This bill would compound existing challenges, resulting in stores and consumers waiting on goods and unfortunate delays. Adding **unnecessary regulatory burdens to warehouses could drive up costs and slow the movement of products, negatively impacting Minnesota's supply chain**.

Worker Safety Is Always A Top Priority For Employers

- Today's employers offer safe environments and flexible jobs that are essential to competing in the labor market. Warehouse workers are in strong demand. **We all agree that productive, healthy, satisfied workers are essential** to maintaining the supply chain and keeping our shelves stocked.
- According to a February 2, 2022 MN DEED presentation to the House Workforce Committee, transportation, warehouse and utilities is **one of only five job sectors where the number of jobs has risen above pre-pandemic levels of employment with median wages of \$23.36/hour**—second only in pay to professional and technical services when looking at the top ten industry job vacancies. This bill threatens to reduce good paying jobs for Minnesotans, often found as first-time employment or a desired flexible job.

- Workplace metrics are common in many industries in Minnesota. In the case of agriculture and perishable foods, **metrics are vital to getting a fresh product to Minnesota's families.**
- We do not need more regulations. Minnesota has a full body of workplace safety standards. MN OSHA and the Minnesota Department of Labor and Industry have the responsibility of worker protection and **there are already clear actions workers can take to file claims, and report concerns or unfair practices.**

This Approach Impacts Our Competitiveness & Jobs

- This is the type of regulation that discourages locating and investing in Minnesota. And **if warehouses choose to leave Minnesota for a border community, our towns and cities will suffer** as the jobs and revenue go out of state.
- Employers are **asked to provide information they may not even have access to**, as reporting requirements include employees in a warehouse environment where there are third-party employers, temporary services and staffing agencies. Many facilities in Minnesota are integrated operations as opposed to standalone warehouses.
- Employees working under **team or facility goals today could be changed to individual goals.**
- The private right of action contained in this bill would likely **lead to frivolous, attorney-driven lawsuits requiring employers to defend themselves against unwarranted claims, disproportionately impacting MN small businesses** that can't afford it.
- As Minnesota's workers and businesses work toward pandemic recovery, **we don't need to hit the brakes** with the possibility for fewer jobs, delayed shipping, out of stock products and higher prices.
- Let's work with the Department of Labor and Industry to **enforce the laws we already have instead of creating more business mandates.**
- **We can keep workers safe and continue our economic recovery without HF 2774.**