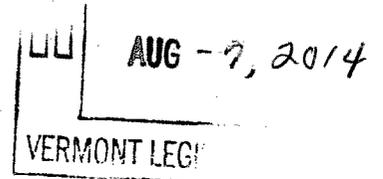


Testimony of David Mickenberg
On Behalf of Working Vermont
August 7, 2014



Good morning and thank you for the opportunity to speak briefly to this issue. I am here today representing working Vermonters across our state on an important issue to not only the newspaper carriers but to working Vermonters more broadly.

I applaud this committee's impartial role in interpreting statutes and proposed rules. I also align myself with the Administration's position as well as your own legislative counsel's report that both conclusively determined that newspaper carriers are in fact employees for the purposes of Vermont's Unemployment Insurance statute and that providing a specific exemption to newspapers for that legal obligations would need to be done statutorily. The action by the administration in 2006 to carve out newscarrriers from unemployment insurance coverage was arbitrary, flawed and counter to Vermont Supreme court's ruling on the matter as well as existing law. Allowing this executive carve out, done without a basis in the law, to continue sets a dangerous precedent of selective application of our laws, giving the executive branch the power to determine which industries or businesses should not have to follow Vermont's laws. In fact, it's not so far fetched to think that allowing this arbitrary action to continue would embolden future administrations to take similar action. Through delay or non-approval of the proposed rule, the newspaper industry is asking you to continue the arbitrary favored status that it has enjoyed, at the expense of its employees, since 2006.

The issue brought forward today is also representative of the broader issue of worker misclassification. Misclassification is a rampant problem in Vermont where employers attempt to deny workers crucial employment rights and protections such as Unemployment Insurance and Worker's Compensation coverage to help the employers bottom line. By subverting Vermont's employment laws worker misclassification costs Vermont millions of dollars in lost tax revenue and shifts the burden to provide for workers who are injured or laid off on to government assistance programs. I would hope this committee accepts the evidence as presented by the Department of Labor and the Legislative Counsel report and supports the legal

acknowledgment that newscarrriers are employee under Vermont's laws and are entitled to the protections that attach to this status.
