

VERMONT DAILY NEWSPAPER PUBLISHERS AGAINST LCAR Rule #12-P44

Dear Chairman MacDonald and members of the committee:

The publishers listed below ask the Legislative Committee on Administrative Rules to again reject Rule# 12-P44 regarding unemployment insurance coverage for newspaper carriers because there continues to be no legislative intent established and no economic impact study regarding the carriers.

The Senate has convincingly voted in favor of exempting newspaper carriers twice, once in 2006 and once in 2013, but the House still has never voted specifically on this question. But it did vote in 2006 to exempt direct sellers, which at the federal level then and now includes and specifically exempts newspaper carriers.

We would hope that any economic impact assessment would acknowledge and take into account the huge transition away from the print newspapers to various forms of digital delivery of information in our industry. We would hope an economic impact statement would address the very part time nature of newspaper delivery and how carriers are compensated as independent contractors. We would hope that some consideration would be given to the vital role that delivery of newspaper content have played and continue to play in our democracy.

The publishers listed below stand by the various testimonies in 2012 and 2013 – a few points of which follow:

- Newspaper carriers have been always been independent contractors and exempt from income taxes and wage an hour laws (21 V.S.A. § 383) and were exempted specifically from federal unemployment taxes in 1996 as direct sellers.
- Vermont publishers have been exempted by the Vermont Department of Labor since the passage of Vermont direct sellers legislation in 2006.
- Carrier routes are very part time and any compensation rarely if ever could qualify for the threshold for unemployment benefits.
- Many carriers deliver more than one print product, and across state lines. How would the state determine which publication is responsible or which state is responsible?
- How would the state determine what wages are when compensation is intended to address a carriers business expenses, including gas and oil.

With home delivery already on the wane due to economics and the emergence of electronic media, we have reached out to the Department of Labor seeking some sort of compromise that will postpone further implementation of this rule for five years, when we feel the direction of the newspaper home delivery industry will have clarified itself. We urge you to support our efforts by rejecting this rule at this time.

R. John Mitchell, Publisher, Rutland Herald and Times Argus

James Fogler, Publisher, Burlington Free Press

Ed Woods, Vermont Group Publisher, New England Newspapers (Bennington and Brattleboro)

Todd Smith, Publisher, Caledonian Record

Emerson Lynn, Publisher, St. Albans Messenger

Ken Wells, Publisher, Newport Express