



International Festivals & Events Association

World Headquarters

2603 Eastover Terrace, Boise, Idaho, USA, 83706

Telephone: 208/433-0950 Web: www.ifea.com

October 7, 2016

The Honorable Lamar Alexander
Chairman, Senate Committee on Health, Education, Labor and Pensions
United States Senate
835 Senate Hart Office Building
Washington, D.C. 20510

Dear Chairman Alexander:

On behalf of the International Festivals & Events Association (IFEA World), and the literally hundreds (sometimes thousands) of local festivals and events that occur annually in each and every community and city across our country (for a cumulative total that is remarkable by any chosen multiplier), adding to the quality of life; driving tourism and irreplaceable economic impact; bonding people together; encouraging volunteerism; building bridges of understanding in a world that needs that now more than ever; and providing unpurchaseable positive community branding; we write in strong support of S. 3464, the Overtime Reform and Review Act. We thank you for your leadership in introducing this important legislation that will provide employers and employees significant relief from the negative impacts of the Department of Labor's (DOL) final overtime rule, and for your consistent advocacy in opposing this regulation.

The festivals and events that make up our industry are heavily not-for-profit, volunteer drive, and made up of small, dedicated staffs, with a 'whatever it takes' attitude that makes their events and the subsequent community return possible. They are not the highest paid employees in the country, but their passion for what they produce and provide to our communities is their driving factor. The vast majority of these organizations are events that cannot operate without flexible hours, nor afford the drastic increases that the DOL is planning to mandate. The result across our industry, if a more reasonable option is not provided, will be lost jobs, events that are forced to close their doors, and communities in a world of need that lose their most valued opportunities to come together.

IFEA World and the countless festivals and events that we represent believe that employees and employers alike are best served with a system that promotes

maximum flexibility in structuring employee hours, career advancement opportunities for employees, and clarity for employers when classifying employees.

While a responsible increase to the salary threshold is due, the DOL's drastic increase of more than 100 percent to the salary threshold is too much, too fast, and will have a disproportionate impact on a wide variety of industries, sectors, and geographic areas of the country. Equally problematic is that the final rule allows for the salary threshold to be automatically updated every three years, irrespective of economic conditions and without the input of impacted stakeholders. As a result, small and large businesses, nonprofits (including our own industry members), local governments, and academic institutions have all made clear the severe problems the final overtime rule will have on their organizations, employees, students, and communities and clients served.

Given the widespread challenges this regulation will impose on employers and their employees, IFEA World and the festivals and events industry that we represent, welcomes the introduction of S. 3464. This reasonable legislation would phase-in the DOL's new salary threshold in four stages over five years, starting with a substantial salary threshold increase to approximately \$36,000 on December 1, 2016, followed by a "pause year" in 2017 to allow employers to review and adjust for the consequences of this new rule. Further increases to the salary level would occur annually thereafter, until reaching the final rule's new threshold of \$47,476 on December 1, 2020. Equally important is that the bill prohibits the final rule's automatic increases to the salary threshold, yet allows the DOL to propose changes to overtime regulations in the future through the customary notice and comment process.

In addition, S. 3464 recognizes the impact the new regulation will have on the most vulnerable employers. The bill specifies that increases after 2016 will not go into effect for nonprofits, colleges and universities, Medicare and Medicaid dependent health care providers, and state and local governments unless the Administration can certify that the 2016 increase did not negatively impact these organizations.

IFEA World, on behalf of all those who make up and serve our industry, strongly supports the comprehensive approach this bill takes in blocking the worst impacts of the overtime regulation from taking effect. We look forward to working with you and other congressional leaders to promptly advance this legislation and prevent the significant negative impact this final overtime rule will have on both employers and employees. Thank you again for your leadership.

Sincerely,



Steven Wood Schmader, CFEE
President & CEO