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October 20, 2020

The Honorable Supervisor Rafael Mandelman
The Honorable Supervisor Shamann Walton
San Francisco City Hall
1 Dr. Carlton B. Goodlett Place, Room 284
San Francisco, CA

Re: File #201133 Health Care Requirements for Certain Employers at San Francisco International Airport

Dear Supervisor Mandelman and Walton,

On behalf of the San Francisco Chamber of Commerce and our members, I write to you about our concerns regarding File #201133 "Health Care Requirements for Certain Employers at San Francisco International Airport." The Healthy Workers Ordinance (HWO), which would add employee family coverage to HCAO's mandate and require that family coverage be cost-free to the employee, directly targets the airline industry - as well as the small business food vendors in SFO.

The aviation industry is currently suffering greatly due to COVID-19 impacts. After the public health crisis was declared, this industry saw a 70 percent decrease in business and tens of thousand of airline workers furloughed. The estimated minimum cost to SFO employers of implementing the HWO is \$83 million. It is estimated that 29,000 contractor, supplier, vendor, and airline jobs would be placed at risk - not including job losses due to COVID.

While the HWO directly targets the aviation industry, it would also impact San Francisco based businesses that are also SFO employers. Restaurants and cafes that are in SFO have faced furloughs and massive decreases in business and revenue since shelter in place; and our members will not be able to sustain more costs to business during COVID or in recovery. We cannot afford to further hinder our San Francisco businesses.

Considering the breadth of impact of this legislation, we advocate for the following measures to ensure the HWO does not cause undue harm:

Economic Impact Report

With the expected release of an Economic Impact Report and the Committee Hearing just a day away, we are advocating for the time needed to fully digest the economic impacts of this ordinance. The four largest airlines at SFO estimate the direct cost of implementing the proposed legislation to be \$83 million, with a projected overall direct and indirect impacts to amount to almost 3,000 fewer jobs, and a \$306 million hit to the economy. This industry is essential to providing San Francisco with its tourism base, which generated \$819 million in taxes in fees to the City in 2019. It is imperative to fully understand how this legislation would add further reduction in operations to SFO's ability to bring in tourists, considering that COVID travel will continue to only slowly recover.



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Commission Hearings

This legislation deserved a full hearing before it is heard at the Budget and Finance Committee. Given the impacts on small businesses and the airport itself, we feel it is essential to have the HWO heard by the Small Business Commission and the Airport Commission. Despite this legislation being targeted at private sector employees, the airport's capacity will be affected on the whole.

The San Francisco Chamber of Commerce prioritizes the health of San Francisco businesses and its employees, and believes that any legislation that has such a breadth of impact on a variety of industries deserves to be heard in full. We urge you to consider continuing the legislation at committee until there is adequate time to digest the full economic report of the HWO, and allow it to be heard by the Small Business and Airport Commission.

Thank you for your time and consideration.

Respectfully,

Rodney Fong
President & CEO
San Francisco Chamber of Commerce

CC: Mayor London Breed; Full Board of Supervisors; Jouquin Torres, OEWD