



October 31, 2023

The Honorable Julie Su  
Acting Secretary  
U.S. Department of Labor  
200 Constitution Avenue, NW  
Washington, D.C. 20210

Re: Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales, and Computer Employees NPRM (RIN 1235-AA39)

Dear Acting Secretary Su,

I write today as the President and CEO of the Convenience Distribution Association. CDA is the trade organization working on behalf of convenience products distributors in the United States. Its distributor members represent more than \$102 billion in U.S. convenience product sales, serving a wide variety of small retail formats. Convenience distributors directly employ nearly 59,000 people and support over 173,000 jobs annually.

CDA strongly opposes the proposed rulemaking to the white-collar exemptions to federal overtime pay requirements that would severely and negatively impact convenience distributors and to the overall economy. The Departments proposed increase to the minimum salary threshold would threaten CDA's business owners and thousands of other business owners around the country. CDA's primary concerns regarding the NPRM are as follows:

1. **Economic Impact:** The proposed changes could lead to increased labor costs for CDA business owners, particularly small and medium-sized enterprises, potentially leading to job losses and reduced economic growth in our industry.
2. **Administrative Burden:** The new regulations may impose additional administrative burdens on employers, making it more challenging for businesses to comply with the complex requirements and diverting resources away from core business activities.
3. **Uncertainty for Employers and Workers:** The proposed revisions introduce uncertainty for employers regarding the classification of employees and could force businesses to reclassify many workers from salaried to hourly, cut benefits, middle management positions, and hours worked, and reduce career growth opportunities.
4. **Impact on Workforce Flexibility:** Businesses rely on the flexibility to allocate work hours and responsibilities based on operational needs. The proposed changes may limit this flexibility, making it harder for employers to meet the demands of the marketplace.

In 2019, the Department increased the minimum salary level from \$23,660 to \$35,568 a 50% increase. Now, just four years later, DOL is again proposing to increase the threshold to \$60,209 by 2024, a nearly 70% increase.

Many industries, including convenience distributors, are still struggling to recover from the pandemic's economic toll and are not well-positioned to absorb costs that are associated with changes to the overtime pay regulations, such as compliance and job restructuring. Staffing and cost challenges associated with regular business operations have been exacerbated by workforce shortages, supply chain disruptions, and inflation at a 40-year high. A change to overtime pay regulations will further complicate this situation by raising the cost of doing business, creating burdensome regulatory requirements, and may cause some employers to eliminate bonuses and incentive pay.

Thank you for your attention to this matter and again, I urge DOL to abandon the misguided overtime proposal.

Sincerely,

A handwritten signature in black ink, reading "Kimberly Bolin". The signature is written in a cursive, flowing style.

Kimberly Bolin  
President and CEO  
Convenience Distribution Association