

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

R. BRUCE JOSTEN
EXECUTIVE VICE PRESIDENT
GOVERNMENT AFFAIRS

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WASHINGTON, D.C. 20062-2000
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April 12, 2016

The Honorable Lamar Alexander
United States Senate
Washington, DC 20510

Dear Senator Alexander:

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America's free enterprise system, supports S. 2693, the "EEOC Reform Act," which would set forth reasonable and commonsense conditions the Equal Employment Opportunity Commission (EEOC) must satisfy in order to move forward with its current proposal to amend the EEO-1 reporting form.

On February 1, 2016, without any prior notice to the regulated community, EEOC issued a proposal to amend the current EEO-1 reporting form to require employers with 100 or more employees to submit data to EEOC regarding employees' W-2 earnings and hours worked broken down by race, ethnicity, and gender. This would be an extremely onerous and costly administrative exercise for employers and the data that would be produced would not provide any insight as to whether an employer's pay practices are discriminatory. Additionally, EEOC's proposal fails to set forth appropriate safeguards to ensure that this sensitive information would remain confidential.

The Chamber and its members are long-standing supporters of reasonable and necessary steps to achieve the goal of equal employment opportunity for all—including equal pay for equal work and non-discriminatory compensation practices. However, this new data collection exercise would not further these goals, would in fact be counterproductive, and would impose a burden that violates the Paperwork Reduction Act.

Fortunately, S. 2693 would require EEOC to take three reasonable steps before it continues with the proposal: (1) EEOC would be required to collect and compile the same employment data information from the executive branch departments and agencies and report this information to Congress, along with the number of staff and staff hours it took to complete; (2) EEOC would be required to develop software and a comprehensive plan regarding how the data would be used; and (3) EEOC would be required to reduce its current backlog of discrimination complaints (which include over 1000 cases alleging compensation discrimination) by a specified number. These are steps EEOC should have undertaken on its own before pursuing its current data collection effort.

Additionally, S. 2693 would install common-sense safeguards within the EEOC, such as returning to the Commissioners the authority to approve litigation undertaken by EEOC. These modest reforms would help protect against EEOC's abusive enforcement agenda as detailed in the Chamber's 2014 report *A Review of EEOC Enforcement and Litigation Strategy during the Obama Administration – A Misuse of Authority*.

The Chamber supports S. 2693, the "EEOC Reform Act," and looks forward to working with Congress on this important legislation. Thank you for your leadership on this important matter.

Sincerely

A handwritten signature in black ink, appearing to read "R. Bruce Josten". The signature is fluid and cursive, with the first name "R." and last name "Josten" being more prominent.

R. Bruce Josten