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Monday, June 17th, 2013

Energy Commerce Commission
House of Representatives
212 S Rayburn House Office Building
Washington, DC 20515

Dear Distinguished Committee Members:

Sparkle & Shine Cleaning Service is a family owned and operated cleaning service started by Kathy Lozinsky in 1998 with (1) employee. We have grown to approximately 240 employees. We have 3 divisions. We do construction cleaning for about 120 customers. We do entertainment cleaning for a majority of large venues in the Raleigh, NC area and NCSU. We also do janitorial service for 20 buildings in Wake County.

Our work force is 85% minorities, including over 50 convicted felons that could not find work anywhere else. We have 2 convicted felons that have worked their way up to Project Managers making over \$50,000.00 per year. One of these employees just celebrated his 10-year anniversary with us. He was in jail and worked in a Work Release Program then started as a laborer and has worked his way up to Project Manager.

I give you this background on our company to show you whom this law will hurt because I cannot afford the \$2,000.00 per employee fee attached to this law. That would be \$380,000.00 per year. 190 employees @ \$2,000.00 each after the first 50 are exempt.

We are looking at 3 options and none of them will be good for our employees.

- 1) Get all employees under 30 hours. Most of our employees work 40 hours or more and the overtime money helps them survive and if they go from 45 hours to 30 hours, most will not survive. One example is, I have a couple with 3 kids that works for us and both husband and wife work around 45 hours a week, so if I have to cut their hours to 30 hours with the overtime they will lose, it will cost them 30% of their income and they will not be able to pay their bills.

- 2) Try to down size to around 100 employees (layoff 140 employees) and hope that we can afford the \$100,000.00 fine, but that is doubtful and
- 3) Close up and lay off 240 people.

A couple of other issues that have been affected by this law.

- 1) Because of the financial uncertainty of this law, we have not expanded at our prior pace (approximately 10% a year, so there is 25-30 people we did not hire this year.
- 2) Also, we try to give back to our community, giving \$20,000 a year to charities, like the Special Olympics, Durham Rescue Mission and many others. But with the financial uncertainty of this law, we have suspended payments this year.

Some people say 'well, just raise your price and you will be ok'. That is not an option for us as our margins are very small and we only get 1 out of 10 jobs we bid. Also a lot of our competition plays unfairly and pays their employees under the table or as 1099 employees, even though it is illegal. That gives them 15% on us to start because they do not pay Workman's Compensation, Unemployment, Social Security or Medicaid. These same companies will not pay for health care on these employees so it gives them an extra discount compared to us.

So I am respectfully asking this committee to help me help my employees. We have a lot of great people working for us and I would hate to see them lose their job or see their hours cut. So, please, any suggestions you have will be greatly appreciated.

Thank you,



Steven Lozinsky
Vice President
Sparkle & Shine Cleaning Service, Inc.