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## POLITICS

# Biden's Covid-19 Vaccine Mandate Divides U.S. Companies, Like the Country

Executives say requirements will increase costs and administrative hurdles, and could make it harder to retain workers



President has said he was reluctant to issue vaccination requirements and did so after a monthslong campaign encouraging people to get the shot failed to persuade many Americans.

PHOTO: MICHAEL REYNOLDS/SHUTTERSTOCK

By [Chip Cutter](#)

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The Biden administration's Covid-19 vaccination and testing requirements for larger employers drew mixed reaction from executives, with some saying the new rules would be difficult and costly to implement and enforce, and could make it harder to retain employees in a tight labor market.

Brian Fielkow said the Houston trucking and logistics firm that he runs would comply with the rules, though he expected complications. Mr. Fielkow, CEO of Jetco Delivery, said he has spent months encouraging his workforce to get inoculated, though a number of employees have a deep-seated resistance to it. Weekly testing could add additional costs and create other administrative difficulties, particularly for truck drivers and others that don't spend much of their time in a central location, he said.

“The mandate’s going to be a challenge because what it’s really doing is it’s putting employers in the middle of what is essentially a culture war,” Mr. Fielkow said. “We have to run a business and align our employees.”

Under the new rules, private-sector companies with 100 or more employees have to ensure that their workers are either vaccinated or undergo weekly Covid-19 testing. The Biden administration estimates the rule will cover 84 million workers.

The National Retail Federation said the rules would “impose burdensome new requirements on retailers during the crucial holiday shopping season.”

In a statement, the retail trade group added, “It is critical that the rule not cause unnecessary disruption to the economy, exacerbate the pre-existing workforce shortage or saddle retailers, who are already taking considerable steps to keep their employees and customers safe, with needless additional requirements and regulatory burdens.”

The United Auto Workers said in a statement that the union would review its more than 700 contracts with employers to see how the rule affects workplace protocols and its existing contracts.

Stuart Appelbaum, president of the Retail, Wholesale and Department Store Union, which represents front-line workers at retailers and grocery chains, among other companies, said the administration’s rules represented a “win for workers” and would help in protecting them from Covid-19. “Too many essential and front-line workers’ lives continue to be on the line in this pandemic, and having a standard to protect workers across the board is critical,” he said.

Business Roundtable CEO Joshua Bolten said the business group appreciated that the administration extended the deadline for the vaccine mandate for federal contractors until January, aligning with the date for private-sector employers to comply with the new rules. “We support the Administration’s vaccination efforts and continued engagement with stakeholders to ensure implementation is a success,” Mr. Bolten said in a statement.

Many white-collar employers have asked questions for weeks about how the guidance might affect return-to-office timelines or employees working remotely. TJ Kennedy, CEO of Qumu Corp., a Minneapolis provider of video technology that employs roughly 125 people, said the rule helped in answering such questions.

The guidance states that employees who do their jobs exclusively from home don't need to be vaccinated or participate in weekly testing. Qumu adopted a "work from wherever" policy during the pandemic, and expects to continue working remotely in the future. The company requires vaccines or recent testing for people traveling for work or gathering with colleagues or customers, which it will continue.

"Having federal government guidance on major public health initiatives, regardless of what they may be, does help employers have continuity across the workplace," Mr. Kennedy said. A nationwide approach to the rules "makes the role of employer guidance in what we're doing easier, so I do think that's helpful," he added.

Some executives expressed concern that companies with fewer than 100 employees, unbound by the latest rules, would be at an unfair recruiting advantage at a challenging time for filling jobs.

"We're already struggling in a labor shortage, and now we're going to say, 'OK, now you've got to pay for a test every week?' That's not a reality," said Lisa Winton, CEO of Winton Machine Co., a machine manufacturer in Suwanee, Ga.

Ms. Winton, who also sits on the board of the National Association of Manufacturers, said she has been in touch with many of her peers, some concerned with the rules. "It's another burden, and it's another burden financially, and it's another risk factor for labor," she said.

Her company, which employs 40 people, wouldn't be covered by the rules. Ms. Winton said she worries that her large-company customers may be less likely to make capital equipment purchases if they face greater costs related to testing for their own workers or complying with the requirements. Still, she sees some potential benefits, too. Her company is looking to hire three machinists, and she said she may be able to draw workers that don't want to comply with the vaccine or testing requirements at larger companies.

For weeks ahead of Thursday's announcement, Mr. Fielkow, the trucking company CEO, has been meeting with colleagues to discuss how the company would implement the Biden administration's requirements. The company has a supply of rapid tests on hand, knowing that other testing options may not be feasible for his workers. "For those employees who want to test, you just can't pull a big rig necessarily into your friendly pharmacy parking lot," he said. "Like any regulation, we'll comply, but this one I think is especially troublesome for employers at the smaller end of that spectrum."

Even so, Mr. Fielkow said he supported efforts to get more Americans vaccinated, and to curb the spread of Covid-19.

“Speaking as a citizen in this country, it’s too bad we got to this point that so many people haven’t gotten vaccinated. I really get that,” he said. “But when you’re running a company, it’s a different dynamic. You’re managing a diverse group of employees. I think this is going to be easier said than done in terms of risking employee loss at a time when you really don’t want to risk that.”

The Wall Street Journal would like to hear from you. What impact are vaccine mandates having on your workplace?

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