



Opening Statement

COMMITTEE ON EDUCATION & LABOR

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The Hon. Robert C. "Bobby" Scott • Chairman

Opening Statement of Chairwoman Alma Adams (NC-12)

Joint Subcommittee on Health, Employment, Labor, and Pensions and Subcommittee on Workforce Protections
Hearing

"The Future of Work: Preserving Worker Protections in the Modern Economy"

2175 Rayburn House Office Building
Wednesday, October 23, 2019 | 10:15am

Thank you, Madame Chairwoman Wilson.

The foundational federal protections for workers –including fair wages, reasonable hours, and safe workplaces – are grounded in two key employment laws: The *Fair Labor Standards Act* and the *Occupational Health and Safety Act*.

These landmark laws were passed when the overwhelming number of workers and employers were connected through traditional, direct relationships.

An employee could tell who their employer was by looking at the name on the building where they worked.

But as the relationship between workers and employers is changing, the protections provided by our key labor employment laws are eroding.

For example, the rising trend of worker misclassification – in which a worker who should be an employee under the law is as an independent contractor – is undermining the Fair Labor Standards Act.

When employees are misclassified, employers are able to strip workers of minimum wage and overtime protections and gain an unfair competitive advantage by classifying them as independent contractors.

Similarly, the lack of clarity in work arrangements can undermine the safety of workers, because there is less certainty about who is responsible for supplying safety equipment and safety training.

This adds risk for temporary and contract workers, who are twice as likely to die from falls than workers in traditional employment, according to Labor Department data.

And workers who are misclassified do not have protections under federal whistleblower laws, including the anti-retaliation provisions of the *Occupational Safety and Health Act* and other whistleblower laws overseen by OSHA.

As our witnesses will discuss today, we don't have to choose between strengthening and modernizing protections for American workers or building a vibrant, modern economy.

Without innovation, workers and businesses may lose out on opportunities to succeed.

But without a strong and sustained effort from federal policymakers, the changing relationship between workers and employers – and the emergence of new business models and new technology – will continue to erode the financial security and safety America’s workers.

We can have an economy that values workers and an economy where business can succeed.

Proposals we’ve previously discussed in this Committee, including the *Payroll Fraud Prevention Act*, would be important steps in the right direction.

All of us agree that the foundational labor and employment laws are outdated in the modern economy.

The question at the heart of today’s hearing is whether we will update and strengthen those protections or further weaken them.

The “future of work” will be determined by our answer to that question.

I yield back.