



North America's Building Trades Unions

October 4, 2017

Sean McGarvey
President

Brent Booker
Secretary Treasurer

Newton B. Jones
Boilermakers

Kinsey M. Robinson
Roofers

James P. Hoffa
Teamsters

Terry O'Sullivan
LIUNA

James Boland
*Bricklayers and
Allied Craftworkers*

Frank Christensen
Elevator Constructors

Kenneth E. Rigmaiden
Painters and Allied Trades

James T. Callahan
Operating Engineers

Joseph Sellers, Jr.
SMART

Lonnie Stephenson
IBEW

Eric M. Dean
Ironworkers

James P. McCourt
Insulators

Daniel E. Stepano
*Plasterers and
Cement Masons'*

Mark McManus
UA

The Honorable Virginia Foxx
Chairwoman
House Committee on Education
and the Workforce
2176 Rayburn House Office Building
Washington, DC 20515

The Honorable Robert C. Scott
Ranking Member
House Committee on Education
and the Workforce
2176 Rayburn House Office Building
Washington, DC 20515

Dear Chairwoman Foxx and Ranking Member Scott:

On behalf of the 3 million skilled craft professionals who comprise the 14 national and international unions of North America's Building Trades Unions (NABTU), I urge your opposition to H.R. 3441, the Save Local Business Act. If enacted this piece of legislation would have a devastating impact on the construction industry which is dependent upon a variety of contractor and subcontractor relationships.

Unfortunately, many low road contractors in the construction industry are becoming increasingly skilled in shielding themselves from legal liabilities through layers of subcontractors. Contractors use subcontractors or labor brokers that either pay their employees off the books or intentionally misclassify them as 1099 subcontractors. When that is done, income taxes are not deducted, and Social Security and Medicare taxes are not paid, as well as unemployment contributions, workers' compensation premium and overtime.

H.R. 3441 purports to save businesses by making it extremely difficult for the National Labor Relations Board (NLRB) and U.S. Department of Labor to find employers jointly liable for violations of the law. If enacted it would have the unintended consequence of promoting a low road contracting model in which those who willfully commit labor violations are unaccountable, to the disadvantage of law-abiding employers and their employees.

This piece of legislation would further induce bad actors to perfect their efforts to undermine the labor standards in our industry, making it more challenging for American workers to achieve access to the middle class. It would also create a competitive disadvantage to high road contractors who obey the law. As such, I strongly urge your opposition to this harmful legislation.

Sincerely,

Sean McGarvey
President

Value on Display. EVERY DAY.



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