

October 30, 2017

The Honorable Paul Ryan
United States House of Representatives
Longworth House Office Building, 1233
Washington, D.C. 20515

The Honorable Nancy Pelosi
United States House of Representatives
Cannon House Office Building, 233
Washington, D.C. 20515

The Honorable Virginia Foxx
United States House of Representatives
Rayburn House Office Building, 2262
Washington, D.C. 20515

The Honorable Robert C. Scott
United States House of Representatives
Longworth House Office Building, 1201
Washington, D.C. 20515

Dear Speaker Ryan, Leader Pelosi, Chairwoman Foxx and Ranking Member Scott:

The undersigned organizations write in opposition to H.R. 3441, the so-called Save Local Business Act, which would amend the Fair Labor Standards Act (FLSA) and the National Labor Relations Act (NLRA) to prevent workers from holding more than one employer jointly accountable for wage theft, child labor, equal pay violations, or unfair labor practices even when the employers jointly exercise and share control over working conditions.

Under our nation's long-standing laws dating back as far as the late 1800s, employers who share control with their subcontractors over working conditions may also share accountability as joint employers for violations of workers' rights so that they will provide better oversight of working conditions, and in so doing, ensure broader compliance with basic labor and employment laws.

H.R. 3441 seeks to dramatically narrow the long-standing definitions of "employer" in the FLSA and NLRA and it is neither good for workers nor for law-abiding businesses.

- **H.R. 3441 opens the door to widespread wage theft and worker harms in occupations across the economy, including in our nation's growth industries.**

The bill would undermine protections for millions of workers across the economy, especially in low-wage sectors where subcontracting is common: construction, agriculture, garment, janitorial, home care, delivery and logistics, warehousing, retail, temp and staffing, and manufacturing, just to name a few.

Wage theft and other workplace dangers are prevalent in many of these jobs, and even under current law, millions of workers today are no longer sure who their boss is—and indeed, have no way to navigate the intricacies of companies' contracting relationships to ascertain who is responsible for workplace violations. When there's no clear line of accountability, work conditions are more likely to deteriorate: pay declines, wage theft increases, and workplace injuries rise. In addition, outsourced jobs pay less—sometimes as

much as 30 percent less—than in-house jobs, likely due to a lack of worker and subcontractor bargaining power. In today's economy, we should be looking for ways to increase workers' pay and economic security, not laying the groundwork for more sweatshops.

When a subcontractor cannot pay, joint employer standards ensure that workers have remedies against the contracting company for the legal violations. Workers should be able to recover when cheated out of wages, exposed to dangerous working conditions, or otherwise treated unlawfully.

This bill would also impede workers from bringing equal pay claims to close the gender pay gap. Because the Equal Pay Act is a part of the FLSA, and uses the FLSA's definition of an employer, H.R. 3441 would make it harder for subcontracted workers to hold their employers accountable for gender-based pay discrimination.

- **The bill actually hurts, not helps, law-abiding small businesses.**

Although framed as a bill to help protect the independence of small businesses, including those that operate as franchisees, the bill would in fact insulate corporations, including franchisors, from liability. Unscrupulous businesses that employ abusive labor contractors to cheat workers would gain a competitive advantage over law-abiding businesses. In addition, franchisees whose business practices are all but dictated to them by larger corporations will be hung out to dry for decisions that aren't their own, without any indemnification from the entity that often all but forces labor and employment violations on them.

Corporations that engage low-road contractors and then look the other way gain an unfair advantage over companies that play by the rules, resulting in a race to the bottom that rewards cheaters. It's one reason why the job quality of what were formerly middle-class jobs in America is suffering today. Working people struggle enough in today's economy.

Don't let Congress make this worse by legislatively rigging the system in favor of corporations that don't care about the workers who build their businesses. Oppose H.R. 3441.

Sincerely,

9to5 Colorado
9to5 Wisconsin
9to5, National Assoc of Working Women
A Better Balance
Advocates for Basic Legal Equality, Inc.

AFL-CIO
American Federation of State, County and Municipal Employees (AFSCME)
American Federation of Teachers, AFL-CIO
Arizona Employment Lawyers Association
Asian American Legal Defense and Education Fund
Barkan Meizlish LLP
Bricklayers & Allied Craftsmen Local 3 MA/ME/NH/RI
California Employment Lawyers Association
Center for Law and Social Policy (CLASP)
Center for Popular Democracy
Center for Worker Justice of Eastern Iowa
Centro de los Derechos del Migrante, Inc. (CDM)
Centro Legal de la Raza
Change to Win
Chicago Jobs Council
Cincinnati Interfaith Workers Center
Coalition for Social Justice
Coalition of Labor Union Women
Coalition on Human Needs
Colorado Fiscal Institute
Columbia Legal Services, Washington State
Communications Workers of America (CWA)
Community Labor United
Community Legal Services in East Palo Alto
Community Legal Services of Philadelphia
Community, Faith & Labor Coalition, Indianapolis
Congregation of Our Lady of Charity of the Good Shepherd, US Provinces
Congregation of Our Lady of the Good Shepherd, US Provinces
Connecticut Legal Services, Inc.
Council on American-Islamic Relations (CAIR)
Democratic Socialists of America
Demos
Disciples Center for Public Witness (Disciples of Christ)
Economic Policy Institute Policy Center
Economic Progress Institute
El Comité de Apoyo a los Trabajadores Agrícolas
Employee Rights Center
Equal Justice Center
Equal Rights Advocates
Fair Work Center
Fair World Project
Faith and Justice Worker Center
Family Values @ Work
Farmworker Association of Florida

Farmworker Justice
Florida Legal Services, Inc.
Food Chain Workers Alliance
Forward Community Investments
Franciscan Action Network
Friends Committee on National Legislation
Fuerza del Valle Workers' Center
Fuerza Laboral
Futures Without Violence
Genesis Masonry Contracting, LLC
Getman, Sweeney & Dunn, PLLC
Good Jobs First
Good Jobs Nation
Greater Boston Legal Services
Greater Hartford Legal Aid, Inc.
Greater Rochester Coalition for Immigration Justice
Greater SE Mass Labor Council
Hardin & Hughes, LLP
Head Law Firm, LLC
Hudson Valley Justice Center
Immigrant Solidarity DuPage, Casa DuPage Workers Center
Immigrant Worker Center Collaborative (IWCC)
In The Public Interest
Indianapolis Worker Justice Center
Interfaith Coalition for Worker Justice of South Central WI
Interfaith Worker Justice
International Brotherhood of Teamsters
International Federation of Professional & Technical Engineers (IFPTE)
International Union of Painters and Allied Trades District Council 35
IWJSD
Jewish Community Relations Council, Milwaukee
Jobs With Justice
Justice in Motion
Kansas City Workers' Rights Board of Missouri Jobs with Justice
Kentucky Equal Justice Center
Kids for College
Kids Forward
Labor Justice Committee
Labor Project for Working Families
Laundry Workers Center
Lebau and Neuworth
The Leadership Conference on Civil and Human Rights
Legal Aid at Work
The Legal Aid Society

Legal Services of Central New York
Legal Voice
Local 3, Bricklayers & Allied Craftsmen
Los Angeles Alliance for a New Economy
Madison-area Urban Ministry
Main Street Alliance
Maine Labor Group on Health
Maine Women's Lobby
Maintenance Cooperation Trust Fund
Massachusetts Coalition of Domestic Workers
Massachusetts Interfaith Worker Justice
Massachusetts Law Reform Institute
MassCOSH (Massachusetts Coalition for Occupational Safety & Health)
Mechanic Law Firm, Portland OR
Metrowest Worker Center
Miami Workers Center
Michigan League for Public Policy
Missouri Jobs with Justice
Moms Rising
NAACP
National Advocacy Center of the Sisters of the Good Shepherd
National Asian Pacific American Women's Forum (NAPAWF)
National Center for Law and Economic Justice
National Center for Transgender Equality
National Council for Occupational Safety and Health
National Council of Churches
National Domestic Worker Alliance
National Education Association
National Employment Law Project
National Employment Lawyers Association
National Guestworker Alliance
National Immigration Law Center
National LGBTQ Task Force
National Partnership for Women & Families
National Women's Law Center
National Workrights Institute
NETWORK Lobby for Catholic Social Justice
New Haven Legal Assistance
New Jersey Citizen Action
New Jersey Policy Perspective
New Jersey Time to Care Coalition
New Jersey Work Environment Council
New Labor
New Mexico Center on Law and Poverty

New Mexico Voices for Children
North Carolina Justice Center
NWA Workers' Justice Center
Oregon Center for Public Policy
Oxfam America
Patriotic Millionaires
Phillips Dayes Law Firm PC
Pilipino Workers Center of Southern California
Policy Matters Ohio
PolicyLink
Pride at Work
Progressive Congress Action Fund
Project IRENE
Public Citizen
Public Justice Center
Restaurant Opportunities Centers United
Safe Harbor Law, LLC
Sargent Shriver National Center on Poverty Law
SE Mass Building Trades Council
SEIU Local 888
Service Employees International Union
South Central Federation of Labor, AFL-CIO
South Florida AFL-CIO
South Florida Interfaith Worker Justice
Southern Poverty Law Center
St. Louis Workers Rights Board, Missouri Jobs with Justice
Stephan Zouras, LLP
Teamsters Joint Council 7
Teamsters Local Union 350
Teamsters Local Union 469
The Commonwealth Institute for Fiscal Analysis (Virginia)
The Law Offices of Gilda A. Hernandez, PLLC
The North Dakota Economic Security and Prosperity Alliance
The Rhode Island Center for Justice
The Stolarz Law Firm
The Warehouse Worker Resource Center
UltraViolet
Union for Reform Judaism
Union of Rutgers Administrators, AFT Local 1766
Unitarian Universalist Association
United Auto Workers (UAW)
United Community Center of Westchester, Inc.
United Food and Commercial Workers International Labor Union
United Food and Commercial Workers Union Local 1445

United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied
Industrial and Services Workers International Union (USW)
Washington State Budget & Policy Center
Wayne Action for Racial Equality
WeCount!
Werman Salas PC
West Virginia Center on Budget and Policy
Winebrake & Santillo, LLC
Wisconsin Alliance for Retired Americans
Wisconsin Alliance for Women's Health
Wisconsin Coalition Against Sexual Assault
Wisconsin Community Program Association (WISCAP)
Wisconsin Council of Churches
Wisconsin Faith Voices for Justice
Wisconsin Network for Peace, Justice, and Sustainability
Women Employed
Women's Law Project
Workers' Center of Central New York
Workers Defense Project
Workers' Rights Center of Madison WI
Workers' Rights Project, Main Street Legal Services. Inc
Working Families Party
Working Partnerships USA
Workplace Fairness
Workplace Justice Project at Loyola College of Law Clinic
Worksafe
WV Citizen Action Group
Yezbak Law Offices