October 30, 2017

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

The Honorable Virginia Foxx United States House of Representatives Rayburn House Office Building, 2262 Washington, D.C. 20515 The Honorable Nancy Pelosi United States House of Representatives Cannon House Office Building, 233 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 Comite 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