

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 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  
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