



August 30, 2021

The Honorable Roger Marshall
United States Senate
479A Russell Senate Office Building
Washington D.C. 20510

The Honorable James Comer
United States House of Representatives
2410 Rayburn House Office Building
Washington D.C. 20515

Dear Senator Marshall and Representative Comer:

On behalf of the National Taxpayers Union, the nation's oldest taxpayer advocacy organization, I write to express our strong support for your legislation, the Save Local Business Act (S. 1636/H.R. 3185). This incredibly important legislation is a needed fix to the severely broken Obama-era "joint employer" rule that is now being championed by the Biden administration. Absent reform, the disastrous joint employer framework threatens the survival of hundreds of thousands of small businesses and more than a million jobs across our country. We strongly urge all members of Congress to cosponsor and support the Save Local Business Act.

As you are well aware, in 2015 the National Labor Relations Board expanded the joint-employer standard to include companies that merely had indirect control or the potential to control another business's workers, even if that control was never exercised. The decision to expand employer responsibilities to workers they did not control upended the decades-old understanding of joint employment, with disastrous consequences for the franchise industry, one of the most dependable sources of job creation. To this point, our friends at the American Action Forum [estimate that this rule](#) could result in 1.7 million fewer jobs in the private sector, with 500,000 of those losses directly in the leisure and hospitality industry.

While the Trump administration made significant improvements to the Obama-era rule, the Biden administration has signaled its commitment to overturning those positive changes. If the president is successful in overturning the Trump rule, it will no doubt hinder entrepreneurship, suppress job opportunities, and limit wage growth for low-income workers. As small businesses navigate a reopening American economy and struggle to bring in workers, the federal government shouldn't add even more obstacles to their business model.

At its core, the Save Local Business Act is a bill to protect American entrepreneurship from the overreach of big government. Specifically, your bill would amend both the National Labor Relations Act (NLRA) and Fair Labor Standards Act (FLSA) to clarify that an employer may be considered a joint employer in relation to an employee only if such employer directly and immediately exercises significant control over the main elements of employment, such as hiring, firing, wage determination, or supervision of an employee's day-to-day activities. Reverting back to the original, pre-2015 regulation will provide much needed clarity to America's 770,000 franchise businesses and nearly 8.5 million workers. NTU strongly supports removing regulations that cause significant and unnecessary financial damage to businesses and limit job opportunities for workers.

In many ways S. 1636 and H.R. 3185 simply restore the joint employer standard that businesses and workers relied on for decades. As Congress continues to explore proposals to help businesses recover from the aftermath of the COVID-19 pandemic, NTU strongly believes that the Save Local Business Act should be at the forefront of the agenda. We urge all members to support this important legislation and we look forward to working towards its enactment.

Sincerely,

Thomas Aiello
Director of Federal Affairs