

**Aric Newhouse**

Senior Vice President  
Policy and Government Relations

November 7, 2017

U.S. House of Representatives  
Washington, DC 20515

Dear Representative:

The National Association of Manufacturers (NAM), the largest manufacturing association in the United States representing manufacturers in every industrial sector and in all 50 states, urges you to support H.R. 3441, Save Local Business Act, introduced by Rep. Bradley Byrne (R-AL).

In 2015, the National Labor Relations Board (NLRB), with the *Browning-Ferris Industries* case decision, overturned 30 years of case precedent by redefining a joint employer. Previously, businesses could meet the definition of an “employer” if they had “direct and immediate” control over another’s work. Now, a business owner who has “potential” or even “reserved control” over the practices of another business and its employees could be considered a “joint employer.”

This new definition affects more than 770,000 employers nationwide across multiple sectors, and impacts every manufacturer who contracts for performed work with an outside entity. Manufacturers who contract out for any product or service with another company could find themselves liable for the contents of a collective bargaining agreement they did not negotiate, employee overtime issues they did not cause, and mired in unexpected issues that arise from that company’s conduct.

The decision has already had a chilling effect on manufacturers’ ability and willingness to hire outside entities which hampers productivity and leads to increased overall costs. It also injects risk into the use of innovative and flexible workforce designs that manufacturers may use to cope with uneven production levels or market uncertainties.

H.R. 3441 will restore the old standard by amending the National Labor Relations Act to define that a person may be considered a joint employer in relation to an employee, only if such person directly, actually, and immediately exercises significant control over the essential terms and conditions of employment.

The NAM’s Key Vote Advisory Committee has indicated that votes on H.R. 3441 including procedural votes, may be considered for designation as Key Manufacturing Votes in the 115th Congress.

Thank you for your consideration.

Sincerely,



Aric Newhouse