

Joe Trauger

Vice President

Human Resources Policy

October 26, 2015

The Honorable John Kline
Chairman
House Education and Workforce Committee
2176 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Kline:

On behalf of the National Association of Manufacturers (NAM), I am writing to express the NAM's strong support for the Protecting Local Business Opportunity Act (H.R. 3459).

The NAM is the largest manufacturing association in the United States, representing small and large manufacturers in every industrial sector and in all 50 states. Manufacturing employs nearly 12 million men and women, contributes more than \$2 trillion to the U.S. economy annually, has the largest economic impact of any major sector, and accounts for two-thirds of private-sector research and development. The NAM is the powerful voice of the manufacturing community and the leading advocate for a policy agenda that helps manufacturers compete in the global economy and create jobs across the United States.

The agenda embarked upon by the National Labor Relations Board (NLRB) in recent years threatens economic growth, stifles job creation and creates fractured workforces. This is true of the Board's recent decision in the *Browning Ferris Industries* case which, unnecessarily, rolled back 30 years of labor law precedent by declaring two companies will be considered joint employers if there is an "indirect" or "unexercised potential" of control over one group of employees. The NAM's *amicus* brief to the *Browning Ferris Industries* case argued that "any change to the joint employer standard would have profound deleterious effects on a company's ability to use temporary employees, staffing agencies, leased employees, or other contingent workers. As a result, companies may be compelled to change their business models and terminate their contracts with staffing agencies because of potential harmful and/or unpredictable ramifications." Under the new joint employer standard a manufacturer contracting services from another business will incur the reality that through a simple contractual relationship, a manufacturer could be held jointly liable for issues over which they have no control or no knowledge, such as collective bargaining arrangements or unfair labor practices.

The Protecting Local Business Opportunity Act would appropriately restore the joint employer standard so that a company must have "direct and immediate control over essential terms and conditions of employment" in order to be deemed a joint employer. The legislation would provide certainty when doing business with other entities while maintaining protections for all employees.

Manufacturers urge the House Committee on Education and the Workforce to take action the swift enactment of this bill so we can continue working on our shared goal of ensuring appropriately balanced labor laws that will promote a strong economy and robust job creation.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Trauger", is centered on a light green rectangular background.

Joe Trauger
Vice President
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