

July 11, 2025

Members of the U.S. Senate and U.S. House of Representatives

Dear Senators and members of Congress:

The Coalition for a Democratic Workplace (CDW) and the 72 undersigned organizations commend the introduction of and write to urge your support for the Save Local Business Act, which would amend the National Labor Relations Act (NLRA) and the Fair Labor Standards Act (FLSA) to clarify that an entity is only a joint employer if it directly and immediately exercises meaningful control over workers' essential terms and conditions of employment. This common-sense approach would provide clarity and predictability to the regulated community and ensure that the entities that truly have control over a group of workers are at the bargaining table. We urge you to support this bill.

CDW is a broad-based coalition of hundreds of organizations representing hundreds of thousands of employers and millions of employees in various industries across the country concerned with a longstanding effort by some in the labor movement to make radical changes to the National Labor Relations Act without regard to the severely negative impact they would have on employees, employers, and the economy. CDW was formed in 2005.

The joint employer standard under both the NLRA and FLSA is used to determine when two or more entities are jointly responsible for the terms and conditions of employment for a shared group of employees. This includes, but is not limited to, having the ability to hire, fire, discipline, supervise, or direct employees. Joint employer status comes with significant liability and responsibility under the law, including collective bargaining obligations and liability for any violations under either of the Acts committed against the shared employees.

For decades, only entities that had direct and immediate control over those terms and conditions of employment could be deemed joint employers. This standard provided clarity and predictability to the regulated community. Unfortunately, over the past several administrations, efforts have been made to broaden the standard, and the Biden administration went so far as to require a joint employer determination for any entity that had *indirect* or even *unexercised*, *reserved control* over workers' terms and conditions of employment. This standard encompassed nearly every contractual relationship across the economy, needlessly exposing vastly more businesses to unwarranted joint employer liability. Federal courts have recognized the absurdity of this standard, explaining that the rule "would treat virtually every entity that contracts for labor as a joint employer because virtually every contract for third-party labor has terms that impact, at least indirectly... essential terms and conditions of employment."

If this standard were implemented, it would result in the decimation of the franchise model, as franchisors would be forced to withhold support from franchisees or exert increased authority over them; the loss of small businesses, as larger companies would bring work in-house out of fear of the liability of contracting with smaller entities; and the end of "corporate social responsibility" initiatives, as businesses distance themselves from their contractors, suppliers, and vendors.



The Save Local Business Act, on the other hand, would codify the traditional joint employer standard into both the NLRA and FLSA, ensuring that only *direct and immediate control* over workers' terms and conditions of employment could trigger joint employer status. It would provide the regulated community with the clarity and predictability it needs to comply with the law and plan for the future. It would safeguard pathways to the American Dream by protecting proven business models that allow small businesses and entrepreneurs to offer their services, expand, and thrive.

The Coalition for a Democratic Workplace and the undersigned organizations urge Congress to pass the Save Local Business Act. Doing so would provide certainty to the regulated community, workers, and the economy and block future policymakers from expanding the joint employer standard beyond what is reasonable or feasible.

Sincerely,

Coalition for a Democratic Workplace

60 Plus Association

Agricultural Retailers Association

AICC, The Independent Packing Association

Air Conditioning Contractors of America

American Association of Senior Citizens

American Bakers Association

American Foundry Society

American Hotel & Lodging Association

American Pipeline Contractors Association

American Seniors Housing Association

American Staffing Association

American Supply Association

American Trucking Associations

Asian American Hotel Owners Association

Associated Builders and Contractors

Associated Equipment Distributors

Associated General Contractors of America

Association of Bi-State Motor Carriers

Center for Individual Freedom

Center for the Defense of Free Enterprise

Construction Industry Round Table

Consumer Technology Association

Foodservice Equipment Distributors Association

Franchise Business Services

Global Cold Chain Alliance

Heating, Air-conditioning, & Refrigeration Distributors International

HR Policy Association

Independent Bakers Association



COALITION FOR A DEMOCRATIC WORKPLACE

Independent Electrical Contractors

International Foodservice Distributors Association

International Franchise Association

International Sign Association

International Warehouse Logistics Association (IWLA)

Manufactured Housing Institute

Manufacturer & Business Association

MEMA, The Vehicle Suppliers Association

National Apartment Association

National Association of Convenience Stores

National Association of Landscape Professionals

National Association of Manufacturers

National Association of Professional Employer Organizations

National Association of Wholesaler-Distributors

National Club Association

National Council of Chain Restaurants

National Council of Farmer Cooperatives

National Federation of Independent Business

National Grocers Association

National Marine Distributors Association

National Restaurant Association

National Retail Federation

National Roofing Contractors Association

National RV Dealers Association (RVDA)

National Small Business Association

National Tooling and Machining Association

NATSO, Representing America's Travel Centers and Truck Stops

Outdoor Power Equipment and Engine Service Association

Petroleum Equipment Institute

Power & Communication Contractors Association

Precision Machined Products Association

Precision Metalforming Association

PRINTING United Alliance

SIGMA: America's Leading Fuel Marketers

Small Business & Entrepreneurship Council

Technology & Manufacturing Association

Textile Care Allied Trades Association

The National Franchisee Association

Tile Roofing Industry Alliance

TRSA -- The Linen, Uniform and Facility Services Association

Truck Renting and Leasing Association

United States Hispanic Business Council

U.S. Chamber of Commerce

Workplace Solutions Association