

COALITION FOR A
DEMOCRATIC WORKPLACE

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.

COALITION FOR A
DEMOCRATIC WORKPLACE

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