



January 13, 2026

Members of the U.S. House of Representatives

Dear Representative:

The Coalition for a Democratic Workplace (CDW) and the 74 undersigned organizations urge your support for the Save Local Business Act ([H.R. 4366](#)), 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. If passed, this common-sense approach would provide much-needed clarity to the regulated community, ensure workers are appropriately protected under these statutes, and provide predictability to all stakeholders following years of policy swings with each change of administration. 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 is associated with significant liability and responsibility under the law, including collective bargaining obligations and liability for any violations, under either statute, committed against the shared employees.

Under the traditional joint employer standard, which was used 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 years, the standard has changed dramatically with each change of administration, leaving the regulated community unable to plan effectively for their current and future workforce obligations and business operations.

Moreover, efforts have been made to broaden the standard beyond what it was ever intended to entail. 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 would have encompassed nearly every contractual relationship across the economy, needlessly exposing vastly more businesses to unwarranted joint employer liability. Fortunately, federal courts 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.” The Biden administration’s joint employer policy was invalidated by federal courts and rejected on a bipartisan basis in Congress.

If the broader standard had been implemented, it would have resulted in devastating consequences for the economy as larger entities responded to and protected themselves against new and unforeseen liabilities. The franchise business model would have been especially at risk, as franchisors would have been forced either to withhold support from their franchisees or exert increased authority over them. Many smaller entities would have lost business or even been forced to close, as larger companies brought work in-house and businesses across the board would have ended their “corporate social responsibility” initiatives, distancing 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 it needs to comply with the law and the predictability businesses need to 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.

CDW 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



## COALITION FOR A **DEMOCRATIC WORKPLACE**

Associated General Contractors of America  
Association of Bi-State Motor Carriers  
Center for Individual Freedom  
Center for the Defense of Free Enterprise  
CHRO Association  
Construction Industry Round Table  
Consumer Technology Association  
Foodservice Equipment Distributors Association  
Franchise Business Services  
Global Cold Chain Alliance  
Heating, Air-conditioning, & Refrigeration Distributors International  
Independent Bakers Association  
Independent Electrical Contractors  
International Foodservice Distributors Association  
International Franchise Association  
International Sign Association  
International Warehouse Logistics Association (IWLA)  
Manufactured Housing Institute Manufacturer & Business Association  
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 Multifamily Housing Council  
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



## COALITION FOR A **DEMOCRATIC WORKPLACE**

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  
Workforce Fairness Institute  
Workplace Solutions Association