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AGC of America
THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA
Quality People. Quality Projects.



September 27, 2016

The Honorable Tim Walberg
U.S. House of Representatives
Washington, DC 20515

Re: AGC Supports HR 6094, the Regulatory Relief for Small Businesses, Schools, and Nonprofits Act

Dear Representative Walberg:

The Associated General Contractors (AGC) supports H.R. 6094, the Regulatory Relief for Small Businesses, Schools, and Nonprofits Act, which would delay the Department of Labor's Wage and Hour Division's final rule on changing the overtime regulations under the Fair Labor Standards Act by 6 months. The rule is scheduled to go into effect on December 1, 2016 and will increase the salary threshold for the executive, administrative and professional exemptions from \$23,660 per year to \$47,476. The sudden increase in the salary threshold will have a particularly negative impact on the construction industry with some employers being forced to reclassify impacted workers, limit weekly hours to not more than 40 hours, limit fringe benefits, eliminate some positions, or transition some positions to part-time.

H.R. 6094 takes a common sense approach to implementing the final overtime rule by delaying the rule by six months to June 1, 2017. AGC opposes the rule because it is too much for employers to absorb at once, fails to take into account lower wage regions and forces construction employers to take potentially drastic measures in order to comply with the rule.

The Regulatory Relief for Small Businesses, Schools, and Nonprofits Act, offers some relief for employers by providing three years for the salary threshold to raise to \$47,476. While AGC had recommended a lower salary threshold during the notice and comment period, H.R. 6094 is a step towards allowing construction employers to absorb the new salary thresholds without a total disruption to their business operations.

Thank you for your leadership on this important issue and AGC looks forward to lessening the impact of the new overtime rule on employers.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeffrey D. Shoaf', is written over a light blue horizontal line.

Jeffrey D. Shoaf
Senior Executive Director, Government Affairs