



**AS PREPARED FOR DELIVERY
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**Opening Statement of Rep. Bradley Byrne (R-AL)
Hearing on "Redefining 'Employer' and the Impact on Alabama's Workers and
Small Business Owners"**

I am pleased to welcome Chairman Roe and our witnesses to Alabama's First Congressional District to speak about the importance of the National Labor Relations Board's interpretation of a "joint employer", which will impact thousands of business owners and their employees in my district and throughout the country.

I would like to thank Chairman Roe, Committee Staff, the University of South Alabama, as well as our witnesses and members of the public here today for being a part of this hearing.

Committee hearings have always provided transparency and a way for the public to hear their Representatives debate important issues. Field hearings, however, provide a much more tangible way for our constituents, like the people of South Alabama, to be directly involved in the process.

Issues like the National Labor Relations Board's definition of a "joint employer" under national labor law affect Main Street businesses in a real way and it is imperative for Congress to come directly to the people to discuss the impact these decisions will have on their everyday lives.

As Chairman Roe explained, the NLRB is tasked with determining whether two businesses may be considered "joint employers" under the National Labor Relations Act. This definition is then used by the NLRB to mediate labor disputes and to determine the rights and protections afforded to employees under national labor laws.

We as a Committee have discussed joint employer status before in the Browning Ferris v. NLRB case, and it was during that discussion that the franchise joint employer relationship was brought up. Now as a former management attorney who has worked in the field for 30 years, it truly boggles my mind that we are even talking about redefining a joint employer relationship in the franchise industry.

The franchise model, as a way of doing business, has been around for decades and represents a win-win for franchisors, franchisees, and franchise employees. Franchisees get the gratification of charting their own course and owning their own business while franchisors benefit from the licensing of their product. As the franchise expands, more

(More)

opportunities are created for both the employees of the franchise and for the franchisee.

During our last hearing, my colleagues on the other side of the aisle couldn't understand why the franchise industry was worried about their status as independent business owners and why franchisors were worried about what this would do to their business model. The answer is simple – expanding the definition of “joint employer” increases the liability of doing business, changes the franchisor-franchisee relationship, disrupts the flow of commerce, and puts long-term job growth in jeopardy.

These proposed changes will directly impact products and services that people have come to depend on across the United States. I look forward to hearing from our witnesses about the impacts this change will have for business owners and their employees.

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U.S. House Committee on Education and the Workforce