



COMMITTEE ON  
EDUCATION & LABOR  
REPUBLICANS

COMMITTEE  
STATEMENT

---

**Opening Statement of Rep. Bradley Byrne (R-AL), Republican Leader  
Subcommittee on Workforce Protections Hearing:  
“Misclassification of Employees: Examining the Costs to Workers, Businesses,  
and the Economy”  
September 26, 2019**

(As prepared for delivery)

“This Subcommittee has jurisdiction over the *Fair Labor Standards Act (FLSA)*, which offers protections to more than 143 million workers in this country every day. Today, the majority has scheduled this hearing to examine how workers are classified under the FLSA—in particular, the challenges and implications of determining whether a worker is an employee who works for a business, an independent contractor who works for themselves but provides services to a business, or a worker who is employed by a separate business.

To compete in our modern and ever-changing economy, companies and individuals are seeking flexible workforce arrangements. Workers recognize and seek out the benefits and flexibility these arrangements provide as they can significantly improve the quality of life for many workers as well as their families. This is a growing trend among American workers that should be encouraged, not impeded. Many businesses who also value flexibility are turning to independent contractors.

The use of independent contractors makes sense for many job creators to obtain high-quality services, and for many workers who want to offer their skills on their own terms, and for consumers who benefit from a reduction in the cost of goods and services.

The overwhelming majority of businesses follow the law and want to do what is expected of them. Sometimes, it seems, we as policymakers make it harder than

it needs to be for that to happen, which brings me to the Democrats' purported solution, the *Payroll Fraud Prevention Act of 2019*.

This proposed legislation will amend the FLSA to radically expand reporting mandates for employers and create new and punitive penalties for misclassifying employees.

In other words, the legislation will increase the legal risks to business owners and make it too costly for them to use independent contractors to provide services. In fact, all workers providing services to a business will get swept up in the extreme mandates in this bill, not only independent contractors but also subcontractor employees, vendor employees, caterers, delivery drivers, taxi drivers, and others. Tying the hands of independent contractors and other service providers with excessive bureaucratic red tape will also increase costs for consumers and will limit work opportunities for individuals who desire flexibility or who want to work on their own terms.

The FLSA already has strong remedies in place for employers who misclassify workers and violate minimum wage and overtime requirements. All workers should be paid in full for their work. That is why Committee Republicans support enforcement of the FLSA.

We shouldn't penalize Americans who work for themselves or companies for doing business with them. Instead we should applaud these Americans for their entrepreneurial spirit.

The draft bill we are examining today is lacking in many ways and adds additional complexity to what is already a complicated area of law, which is demonstrated by the fact that the bill would apply to all types of business relationships that I am sure were unintended. Instead of considering an unworkable bill that will damage workers and businesses, we should be discussing how to modernize the FLSA and bring it into the 21st century.

Finally, I find it interesting that the issue we are discussing in today's hearing was also a primary focus of a bill that the committee approved yesterday, which would turn the independent contractor classification on its head. There was an additional Democrat amendment offered which would further muddy the waters for independent contractors. It appears to me that Committee Democrats decided

on their preferred approach, which makes me question the purpose of today's hearing.

However, I thank the witnesses for being here and I look forward to their testimony.”

###