



March 8, 2021

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
Washington, DC 20515

Dear Minority Leader McCarthy:

Key Vote

On behalf of the more than 140,000 members of the National Association of Home Builders (NAHB), I am writing to express strong opposition to H.R. 842, the *Protecting the Right to Organize (PRO) Act of 2021*. This legislation contains dozens of sweeping labor law revisions that would negatively affect the construction labor market as the economy fights to recover from the COVID-19 pandemic and gut the contracting business model that serves as the foundation of the residential construction sector. **NAHB designates a vote in opposition to H.R. 842 as a KEY VOTE.**

While the PRO Act contains dozens of provisions harmful to labor-management relations, NAHB is most alarmed by its codification of a broad joint employer standard and federal adoption of the rigid "ABC" test for determining whether a worker is an employee or independent contractor. Together, these provisions will stifle entrepreneurship and competition in the home building industry while exacerbating longstanding skilled labor shortages.

Builders rely on an average of twenty-two subcontracting firms to build a home, including framers, roofers, electricians and other types of specialty trades. For most, there is simply insufficient internal demand to justify hiring an employee for the numerous specialized tasks required to complete a project. At the same time, independent contracting offers many workers in the construction sector the flexibility and opportunity to start a business and work for oneself.

An expanded joint employer test will deter the use of these specialized subcontractors and independent contractors by exposing builders to unlimited and unpredictable employment liability, while adoption of a federal "ABC" test will narrow the circumstances under which an individual can work as an independent contractor and add unnecessary confusion into an employment classification system that is already complicated for employers and workers to navigate. This, in turn, will drive up labor costs in construction, hurting small businesses and consumers and putting the dream of homeownership further out of reach for many Americans.

Our nation is currently facing a housing affordability crisis which will only worsen if Congress promulgates misguided policies that force the labor market to contract and inflate the costs of home construction. For this reason, NAHB strongly urges members to oppose this legislation.

Again, NAHB is designating a vote in opposition to H.R. 842 as a key vote.

Sincerely,

A handwritten signature in black ink, appearing to read "James W. Tobin III".

James W. Tobin III