



**National Association of Home Builders**

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**Government Affairs**

James W. Tobin III  
Executive Vice President & Chief Lobbyist  
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May 8, 2019

The Honorable Frederica Wilson  
Chairwoman  
Subcommittee on Health, Employment,  
Labor and Pensions  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Tim Walberg  
Ranking Member  
Subcommittee on Health, Employment,  
Labor and Pensions  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairwoman Wilson and Ranking Member Walberg:

On behalf of the approximately 140,000 members of the National Association of Home Builders (NAHB), I write to express NAHB's strong opposition to the Protecting the Right to Organize (PRO) Act, which would negatively impact the construction labor market at a time of widespread worker shortages and exacerbate the housing affordability crisis. Implementation of this legislation would come at the cost of small businesses and their workers – stifling communications, infringing on privacy, and stripping the balance from labor-management relations.

Of greatest concern to NAHB is the PRO Act's proposed codification of a broad joint employer standard and adoption of a rigid test for determining whether a worker is an employee or independent contractor. Together, they threaten to upend the contracting business model that is the very bedrock of the residential construction sector.

The building industry is made up of a network of general contractors, subcontractors, and entrepreneurs that perform a range of specialized services. Builders rely on an average of twenty-five subcontracting firms to build a home, including framers, roofers, drywallers, electricians and other types of specialty trades. For most builders, there is simply insufficient internal demand to justify hiring an employee for the numerous specialized tasks required to complete a home. Without these subcontractors and independent contractors, many family-owned small businesses would simply cease to be viable operations. Combined, the joint employer and independent contractor provisions of the bill would hamper entrepreneurship, expose small businesses to unlimited and unpredictable employment liability, and reduce labor market flexibility.

The PRO Act also directly undermines the privacy and free choice of workers. It deprives employees of their right to choose whether to participate in a union by stripping away right-to-work protections and forces disclosure of their detailed personal contact information to union organizers that jeopardizes their and their families' safety and privacy. It will make it difficult for employees to make informed decisions about their representation and for employers to retain counsel, investigate the issues raised in the petition, and intelligently negotiate an election agreement. Codifying obstructive election rules that have already been rejected by the judicial system and previously received bipartisan opposition in Congress is simply bad policy.

NAHB urges the Subcommittee to reject the misguided policies of the PRO Act, and instead pursue reforms that uphold employee and employer rights and promote economic growth.

Sincerely,

A handwritten signature in black ink, appearing to read "James W. Tobin III". The signature is stylized and cursive, with the first name "James" being the most prominent part.

James W. Tobin III