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**Opening Statement by Rep. Tim Walberg (R-MI)  
Chairman, Subcommittee on Health, Employment, Labor, and Pensions  
Hearing on H.R. 3441, the *Save Local Business Act***

This committee has been fighting to roll back the extreme joint employer scheme since it first took effect, and for good reason. It's a threat to jobs, entrepreneurship, and local employers across the country.

We know this new joint employer standard has led to a whole host of real-world consequences, because that's exactly what we've heard from business owners and their employees in each of our districts and before this committee.

We've all heard the voices of local job creators who fear they could lose control of their businesses to larger companies. One small business owner, who described himself as the "living definition of the American Dream," warned the committee that he would "virtually overnight become a manager for a large company."

We've also heard how this new standard has made it harder for small businesses to grow and create jobs in their communities. Kristie Arslan, the owner of a small gourmet popcorn shop, said she was considering opening five new locations through franchising, but the joint employer threat made her expansion plans too risky. She decided she could only open one new store instead of five.

This is just one concerning example of lost jobs and opportunity. So many hardworking entrepreneurs, who took a risk to start their own business, now find themselves in a sea of uncertainty. And it's not just those in the franchising industry. Many small businesses and local vendors rely on contracts with larger companies, and they are concerned those contracts could soon be harder to come by.

According to the American Action Forum, the joint employer scheme threatens 1.7 million jobs. To protect those jobs, we have to restore a commonsense definition of what it means to be an employer.

I'd like to remind some of our critics that the *Save Local Business Act* reflects the same straightforward joint employer test that workers and job creators relied on for decades.

To be someone's employer, it makes perfect sense that you need to have "actual, direct, and immediate control" over terms and conditions of employment. This clear test does nothing to let employers off the hook for their obligations to their employees. What it does is ensure the *actual* employer is the one held responsible. And that's the way it should be.

(More)

It's time to settle once and for all what constitutes a joint employer — not through arbitrary and misguided NLRB decisions and rulings by activist judges — but through legislation. This is obviously an area of labor law that is in desperate need of clarity.

As recognized by at least three of our colleagues on the other side of the aisle, this isn't a Democrat versus Republican issue. The *Save Local Business Act* is about providing certainty for job creators in each and every one of our districts. It's about keeping the American Dream within reach.

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