

December 13, 2018

Ms. Roxanne Rothschild Associate Executive Secretary National Labor Relations Board 1015 Half Street, SE Washington, DC 20570-0001

RE: RIN 3142-AA13; Notice of Proposed Rulemaking (NPRM), The Standard for Determining Joint-Employer Status

Dear Ms. Rothschild:

I am writing in support of the proposed rule on joint employer by the National Labor Relations Board (NLRB). The expanded definition that the NLRB issued in its *Browning-Ferris Industries* decision is far too broad and has harmed workers.

The Center for Worker Freedom (CWF) is a nonprofit organization that is dedicated to warning the public about the causes and consequences of unionization. As part of this mission, CWF advocates for workers and their rights. CWF is a project of Americans for Tax Reform.

CWF has been concerned about the expanded definition of joint employer since the 2015 *Browning-Ferris Industries* ruling because of its negative impact on workers.

In fact, the American Action Forum (AAF) recently <u>released</u> a study on how a broadened joint employer definition will harm workers. AAF found that an expanded definition affects 54.6 million workers or 44% of private sector workers.

The expanded definition, in particular, hurts the franchise business model, a source of strong job creation. A previous AAF study <u>projected</u> the loss of 1.7 million jobs over ten years in the private sector and 500,000 fewer jobs in the leisure and hospitality industry due to the expanded definition.

A more recent AAF study <u>found</u> that franchise employment growth has fallen in the two years since the NLRB expanded the joint employer definition. Over the past two years, annual franchise employment growth rate declined by 1.4%. In addition, total wage earnings growth in the hotel industry declined by 3.9%.

The expanded definition of joint employer also forces companies to collectively bargain with unions over the employees of other companies. Since the company bargaining with the union is not familiar with the workers, this arrangement is unlikely to work well.

Due to its harm to workers, the Center for Worker Freedom supports the NLRB's new proposed rule that reinstates the longstanding definition of joint employer.

Sincerely,

Olivia Grady Senior Fellow