

Coalition to Promote Independent Entrepreneurs

ICCoalition.org · (202) 659-0878

May 4, 2018

The Honorable Virginia Foxx
Chairwoman
Committee on Education and the Workforce
U.S. House of Representatives
Washington, DC 20515

The Honorable Robert C. "Bobby" Scott
Ranking Member
Committee on Education and the Workforce
U.S. House of Representatives
Washington, DC 20515

The Honorable Bradley R. Byrne
Chairman
Subcommittee on Workforce Protections
U.S. House of Representatives
Washington, DC 20515

The Honorable Mark Takano
Ranking Member
Subcommittee on Workforce Protections
U.S. House of Representatives
Washington, DC 20515

Dear Chairmen Foxx and Byrne and Ranking Members Scott and Takano:

On behalf of the Coalition to Promote Independent Entrepreneurs, a national coalition of organizations, companies, and independent entrepreneurs that support an individual's right to work as an independent entrepreneur, we are writing to express our strong support for H.R. 3825, the *Harmonization of Coverage Act of 2017*.

The current patchwork of more than 10 different definitions for the term "employee" across federal and state statutes creates significant uncertainty for legitimate independent contractors and their clients. This, in turn, creates an unfair playing field that discriminates against these independent entrepreneurs and stifles economic growth.

Independent entrepreneurs represent a material segment of the American workforce and contribute hundreds of billions of dollars annually to the American economy. They deserve legal certainty concerning the contractual relationships they enter into with their clients. A harmonized definition of "employee" would apply a consistent, reliable test to the relationships between these entrepreneurs and their clients in the eyes of the law and facilitate the ability of government agencies to ensure that workers are classified properly.

H.R. 3825 would achieve such harmonization by conforming the Fair Labor Standards Act ("FLSA") to the other New Deal statutes that all now follow a common-law definition of "employee." Further, it would conform the FLSA to recent U.S. Supreme Court decisions that adopt a common-law test for the term "employee" for purposes of statutes, such as the FLSA, that define the term with a definition that is circular.

The sooner that action can be taken to harmonize this definition, the sooner our nation's independent entrepreneurs will be liberated to compete on a level playing field and maximize

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their earnings. Companies will then be able to decide whether to engage legitimate independent entrepreneurs based on their business needs rather than their exposure to potential regulatory risks. Once this occurs, the overall economy can begin to operate more efficiently and potentially grow at faster rates.

We respectfully urge you to support this bipartisan bill and urge swift Committee consideration and House passage during the 115th Congress. Thank you for your consideration.

Sincerely,

American Bakers Association
Americans for Tax Reform
American Society of Travel Agents
American Trucking Associations
Associated Builders and Contractors
Competitive Enterprise Institute
Dart Transit Company
Direct Selling Association
Equinox Business Solutions
Financial Services Institute
Forest Resources Association
G.A. Wright, Inc.
Hispanic Leadership Fund
Independent Bakers Association
Insights Association
MBO Partners
MSPA Americas
National Association of Home Builders
National Association of Manufacturers
NetChoice
Private Care Association
Small Business & Entrepreneurship Council