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**Opening Statement of Rep. Phil Roe (R-TN)
Chairman, Subcommittee on Health, Employment, Labor, and Pensions
Hearing on "Redefining 'Employer' and the Impact on Georgia's Workers and Small
Business Owners"**

Good morning, everyone, and welcome to today's hearing. I'd like to thank our witnesses for joining us, and I'd like to thank the staff here at the Coastal Georgia Center for their hospitality.

It's nice to have the opportunity to get out of Washington for a hearing like this, which allows us to hear directly from you about issues that will have a significant impact on workers and employers in your community and across the country. The issue we're discussing today is an effort by a group of unelected bureaucrats in Washington that could fundamentally change the way franchise businesses operate. It's an important issue because there is a lot at stake.

Hundreds of thousands of franchise businesses currently operate in the United States – more than 780,000 of them actually – and they employ nearly nine million workers. These are small businesses, they are independently owned and managed, and they have helped create jobs and provided opportunities for many individuals to pursue the American Dream. Franchise businesses are vitally important to communities like Savannah and the families that live and work in them.

A federal agency, the National Labor Relations Board, is trying to upend a franchise model that has worked well for decades. This is the same federal agency that tried to tell Boeing they couldn't open a plant in Charleston, South Carolina, threatening thousands of good paying jobs. Now, the NLRB is again doing the bidding of Big Labor by making it easier to organize franchise workers – no matter the cost to working families and job creators.

To that end, the NLRB's general counsel, Richard Griffin, is pushing the agency to rewrite the rules that determine who is responsible for decisions affecting the day-to-day operations of a franchise business. Is it the franchisee – the individual who owns and operates the business locally? Or is it the franchisor – the entity that enables the small business owner to use an established brand to sell certain goods or services in a particular area? If Griffin has his way, both will be "joint employers" and will have equal responsibility for those decisions, which include hiring, training, wages, and work schedules. And if that happens, there will be serious consequences for workers and employers.

First, let's talk about what it would mean for the franchisees, the small business owners. A change like the one Griffin is pushing will mean less freedom to actually run their businesses. If a franchisor is suddenly responsible for the day-to-day decisions at each franchise, they will assert more control over the business. That means the franchisees – small businesses owners like Mr. Patel, Mr. Salgueiro, and Mr. Weir – will have less say over these important decisions and no longer decide how to run their business.

But that's just the beginning. Expanding the joint employer standard will also lead to higher consumer costs, fewer small businesses, lost jobs, more litigation, and fewer opportunities for individuals to pursue the American Dream. And on top of that, the NLRB could extend this radical approach to other businesses, like contractors and subcontractors. A change like that would threaten countless businesses in Savannah, throughout Georgia, and across the country.

It's never easy running a successful small business, especially in an economy plagued by the persistent challenges we face today. We don't need an unelected and unaccountable board of bureaucrats with an activist agenda changing the rules to favor Big Labor. But that's exactly what the National Labor Relations Board is trying to do. As we've seen time and again under this administration, the board is bending to the will of union bosses who want to grow the ranks of dues-paying members, and they're doing it at the expense of hardworking Americans.

I want to thank our witnesses again for being with us today and sharing their personal experiences with the committee. With your stories and personal experiences, you are helping us determine what needs to be done to address this misguided scheme and put in place policies that encourage – not stifle – economic growth and job creation. I look forward to hearing from each of you, so I'm going to yield to my distinguished colleague and our host today, Congressman Buddy Carter, for his opening remarks.

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U.S. House Committee on Education and the Workforce