



May 17, 2016

Members of Congress:

On behalf of the undersigned organizations and the millions of Americans we represent, we write to express our strong support for S. 2707 and H.R. 4773, the Protecting Workplace Advancement and Opportunity Act (PWAOA), and all efforts to defund, block, and otherwise nullify the Obama Administration's effort to change our nation's overtime rules. The administration's proposed overtime rule, should it be made final, would threaten flexible work arrangements and paths to success.

The bills, sponsored by Senator Tim Scott (R-S.C.) and Congressman Tim Walberg (R-Mich.), respectively, would nullify the Department of Labor's proposed overtime regulation. Specifically, the legislation requires the U.S. Secretary of Labor to conduct a thorough economic analysis on how updating overtime rules would affect small businesses and take into consideration cost-of-living differences across the country, among other research before proposing another overtime rule.

The undersigned groups believe workers should receive fair pay for a day's work, but the overtime rule as proposed is a poor vehicle to do so.

Industries and organizations across the country—from universities to community care providers—would face drastic increases in labor costs as a result of the Obama administration's new interpretation of the Fair Labor Standards Act. The administration's proposed overtime rule would make an additional 5 million workers eligible for overtime pay by dramatically increasing the salary threshold exemption from \$23,660 to \$50,440. By increasing the threshold, many workers will lose salaried employment status and the benefits they depend on, like flexible work arrangements and health benefits.

Public colleges and universities fear the added costs will force reductions to student services, cuts to employee benefits, and limit employees' work hours that could reduce important labor-intensive research.

Organizations that provide services to the disabled community, primarily funded by Medicaid, would face an estimated \$1.05 billion in additional costs, according to [analysis](#) performed by health research firm Avalere Health. These workers provide vital services to those in our communities that need help.

The Small Business Administration's Office of Advocacy, which represent small entities before the federal government, submitted [comments](#) that the Department of Labor's analysis of the rule fails to "inform the public about the impact of this rule on small entities."

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Most concerning, the DOL’s methodology used to analyze overtime costs is unknown. The Obama administration denied the [Florida Department of Economic Opportunity](#)’s (FDEO) request to check the methodology used to anticipate the costs. The FDEO performed its own analysis. It found that in Florida alone, the costs would be \$1.7 billion from the 195,000 new overtime eligible workers in Florida, while the DOL estimates the direct and indirect costs of the rule would only be \$1.8 billion nationwide.

A rule that could negatively affect millions of workers and the futures of numerous small businesses and industries cannot be issued without thorough analysis by the agency.

We encourage members of Congress to do everything in their power to nullify this rule and defund any future efforts to implement the final rule. We support the PWAOA so that any update to overtime regulations is vigorously vetted and serves the interests of all Americans. In response to the final rule, we also support Senate and House members pursuing a resolution of disapproval under the Congressional Review Act to block the overtime rule and its devastating consequences for small business owners and workers across the nation.

Thank you for your consideration.

Sincerely,

- Competitive Enterprise Institute
- American Commitment
- Americans for Prosperity
- Americans for Tax Reform
- Campaign for Liberty
- Center for Individual Freedom
- Center for Worker Freedom
- Council for Citizens Against Government Waste
- FreedomWorks

- Frontiers of Freedom
- James Madison Institute
- Jefferson Project
- John Locke Foundation
- Less Government
- National Taxpayers Union
- R Street Institute
- Taxpayers Protection Alliance