

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

R. BRUCE JOSTEN
EXECUTIVE VICE PRESIDENT
GOVERNMENT AFFAIRS

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July 14, 2016

The Honorable Kurt Schrader
U.S. House of Representatives
Washington, DC 20515

Dear Representative Schrader:

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America's free enterprise system, supports H.R. 5813, the "Overtime Reform and Enhancement Act." This legislation would soften the impact of the Department of Labor's (DOL) onerous overtime regulation by phasing in implementation and eliminating the automatic update provision.

The new DOL rule doubles the current minimum salary threshold, making virtually all employees who earn salaries below \$47,476 eligible for overtime pay. Importantly, H.R. 5813 builds on the extensive record developed during the rulemaking and in hearings held in the Committees on Education and the Workforce and Small Business that showed how a vast array of employers, including both small and large business in the private sector, the non-profit sector, and state and local governments, are struggling to determine how they will meet the new requirements.

Specifically, increasing the salary threshold in one step will be highly disruptive to employers and employees. By phasing in the increase, beginning December 1, 2016 and concluding December 1, 2019, employers would be able to better plan for and absorb the impact of the increased costs imposed by this regulation, as well as have time to communicate and prepare employees for the changes that will take place.

This bill would also, very importantly, prohibit automatic updates to the salary threshold. The every three year automatic update mechanism would deprive employers of any opportunity for input and result in higher salary thresholds going into effect regardless of necessity and current economic conditions.

H.R. 5813, the "Overtime Reform and Enhancement Act," is one of several initiatives that would address the new rule's adverse impacts before they take effect on December 1, 2016. Time is of the essence, and the Chamber looks forward to working with you on this and other efforts to remedy the many problems with the new overtime regulation.

Sincerely,



R. Bruce Josten