



March 24, 2025

Representative Ryan Mackenzie  
Chair  
Subcommittee on Workforce Protections  
House Education & Workforce Committee  
U.S. House of Representatives  
2176 Rayburn House Office Building  
Washington, DC 20515

Representative Ilhan Omar  
Ranking Member  
Subcommittee on Workforce Protections  
House Education & Workforce Committee  
U.S. House of Representatives  
2176 Rayburn House Office Building  
Washington, DC 20515

Dear Chair Mackenzie, Ranking Member Omar, and members of the House Education & Workforce Subcommittee on Workforce Protections:

The Partnership to Protect Workplace Opportunity (PPWO) thanks you for holding your hearing on modernizing the Fair Labor Standards Act (FLSA). Modernization of our nation's foundational wage and hour law is critical to addressing the needs of the 21<sup>st</sup> Century workforce, but misguided regulations can hinder those efforts. We therefore urge you to consider the negative impact the Biden administration's overtime final rule, "Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales, and Computer Employees" (RIN 1235-AA39), has had and will continue to have on the economy. PPWO would like to share the letter that we and 90 employer organizations recently sent to the Trump administration urging they abandon their defense of the final rule in court.

PPWO is a coalition of a diverse group of associations, businesses, and other stakeholders representing employers with millions of employees across the country in almost every industry. Formed in 2014, the Partnership is dedicated to advocating for the interests of its members in the regulatory debate on changes to the FLSA overtime regulations. PPWO's members believe that employees and employers alike are best served with a system that promotes maximum flexibility in structuring employee hours, career advancement opportunities for employees, and clarity for employers when classifying employees.



As we explain in our letter, the Biden administration's final rule was issued despite the concerns raised by businesses, nonprofits, higher education institutions, and the public sector. If allowed to proceed, the rule will likely result in the reclassification of large numbers of employees from salaried to hourly, leaving those workers with fewer opportunities for flexible work arrangements, career development opportunities, and access to benefits and employers with additional administrative costs and staffing challenges. Two federal district courts have already struck down the rule, having recognized that the Department of Labor exceeded its authority in issuing the rulemaking. Both cases are now before the U.S. Court of Appeals for the 5<sup>th</sup> Circuit.

PPWO has urged the Trump administration to abandon its defense of this flawed rulemaking in court. Doing so would allow the more reasonable 2019 Trump-era overtime regulation to remain in place. Congress can play a role in this fight as well and pass legislation to ensure appropriate overtime regulations are implemented in the future.

Thank you for your consideration. PPWO looks forward to working with the subcommittee on this issue moving forward.

Sincerely,

Partnership to Protect Workplace Opportunity



March 18, 2025

Lori Chavez-DeRemer  
Secretary of Labor  
U.S. Department of Labor  
200 Constitution Ave NW  
Washington, DC 20210

Pam Bondi  
Attorney General  
U.S. Department of Justice  
950 Pennsylvania Avenue, NW  
Washington, DC 20530

Dear Secretary Chavez-DeRemer and Attorney General Bondi:

The Partnership to Protect Workplace Opportunity (PPWO) and the 90 undersigned organizations write to urge you to abandon the administration's defense in federal courts of the Department of Labor's (DOL) 2024 final rule (the 2024 Rule) altering the overtime regulations under the Fair Labor Standards Act (FLSA), entitled "Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales, and Computer Employees" (RIN 1235-AA39). The Biden administration issued the 2024 rule over the concerns of businesses, nonprofits, higher education institutions, and the public sector that the rule would result in the reclassification of large numbers of employees from salaried to hourly. This reclassification would leave those workers with fewer opportunities for flexible work arrangements, career development opportunities, and access to critical benefits and employers with additional administrative costs and staffing challenges. Two federal district courts have struck down the 2024 Rule, and DOL's enforcement position on this issue is now governed by a rule issued by the Trump administration in 2019 (the 2019 Rule).

PPWO is a coalition of a diverse group of associations, businesses, and other stakeholders representing employers with millions of employees across the country in almost every industry. Formed in 2014, the Partnership is dedicated to advocating for the interests of its members in the regulatory debate on changes to the Fair Labor Standards Act overtime regulations. PPWO's members believe that employees and employers alike are best served with a system that promotes maximum flexibility in structuring employee hours, career advancement opportunities for employees, and clarity for employers when classifying employees.

The 2024 Rule made three changes to the overtime regulations under the FLSA. It twice increased the minimum salary threshold, under which all workers must be paid overtime for any hours worked over 40 in a given workweek. The first increase raised the threshold to \$43,888 on



July 1, 2024, giving the regulated community only two months to come into compliance. The second increase was set to raise the threshold to \$58,656 on January 1, 2025. To come to this figure, the Biden administration used a new methodology for determining the threshold, abandoning the common-sense methodology adopted by DOL in the 2019 Rule. Finally, the 2024 Rule established triennial automatic updates to the threshold, leaving no opportunity for the regulated community to comment or raise concerns and no means of stopping the increase if there was an economic downturn. Federal district courts nullified the 2024 Rule, however, before the second increase and any automatic updates could take effect.

Both increases in the 2024 Rule would have forced employers to reclassify large numbers of employees from salaried to hourly, resulting in reduced career advancement opportunities and flexibility in the workplace as well as lost benefits to those workers. At the same time, employers would have faced increased administrative costs and scheduling challenges related to tracking hours for formerly exempt workers. These costs would likely have been passed on to consumers in the form of higher prices.

If implemented, the automatic increases in the rule would increase the threshold regardless of the economic circumstances at the time. This would inevitably exacerbate any economic problems, such as supply chain disruptions, worker shortages, and high inflation. Forced increases in labor costs at economically vulnerable times could have devastating consequences for the economy.

As mentioned, two federal courts have nullified the 2024 Rule, but those two cases are still moving through the federal court system. In the business community and the state of Texas's combined challenge to the rule, *Texas and Plano Chamber of Commerce, et al, v DOL*, the U.S. District Court for the Eastern District of Texas ruled in favor of the plaintiffs, nullifying the rule. The judge explained that DOL's authority on the overtime regulations "is not unbounded," and the new threshold "effectively eliminates" all other criteria in the overtime regulations, creating a "salary-only test." He also said the Department's automatic updates "violate[] the notice-and-comment rulemaking requirements of the [Administrative Procedure Act]." DOL appealed the decision to the U.S. Court of Appeals for the 5<sup>th</sup> Circuit in November 2024. Since President Trump took office, the Department has requested extensions to their deadline to file an opening brief. Their brief is now due on May 6. In *Flint Ave v DOL*, the U.S. District Court for the Northern District of Texas ruled against the Biden administration's rule, using the same reasoning as the Eastern District of Texas. On February 28, DOL filed a Notice of Appeal with the court, sending the case to the 5<sup>th</sup> Circuit. The regulated community supports the District Courts' positions that the 2024 Rule exceeded DOL's authority.

Again, PPWO and the undersigned organizations urge you to abandon defending the 2024 Rule. Thank you for your consideration in this manner. We look forward to working with DOL and the Department of Justice on this issue during the Trump administration.

Sincerely,



Partnership to Protect Workplace Opportunity  
AICC, The Independent Packaging Association  
Air Conditioning Contractors of America  
American Association of Advertising Agencies (4As)  
American Bakers Association  
American Foundry Society  
American Hotel & Lodging Association  
American Pipeline Contractors Association  
American Road & Transportation Builders Association  
American Society of Travel Advisors (ASTA)  
American Staffing Association  
American Supply Association  
AmericanHort  
Amusement & Music Operators Association  
Asian American Hotel Owners Association  
Associated Builders and Contractors  
Associated Equipment Distributors  
Associated General Contractors of America  
College and University Professional Association for Human Resources  
Construction Industry Round Table  
Consumer Technology Association  
Electronic Transactions Association  
Energy Marketers of America  
FMI – The Food Industry Association  
Foodservice Equipment Distributors Association  
Global Cold Chain Alliance  
Health & Fitness Association  
Heating, Air-conditioning, & Refrigeration Distributors International  
HR Policy Association  
IAAPA, the global association for the attractions industry  
Independent Electrical Contractors  
Independent Lubricant Manufacturers Association  
International Foodservice Distributors Association  
International Franchise Association  
International Warehouse Logistics Association (IWLA)  
ISSA, the Worldwide Cleaning Industry Association  
Manufactured Housing Institute  
Manufacturers' Agents Association for the Foodservice Industry (MAFSI)  
National Armored Car Association  
National Association of College and University Business Officers  
National Association of College Stores  
National Association of Convenience Stores  
National Association of Electrical Distributors (NAED)  
National Association of Independent Colleges and Universities



National Association of Landscape Professionals  
National Association of Manufacturers  
National Association of Mutual Insurance Companies  
National Association of Wholesaler-Distributors  
National Automobile Dealers Association  
National Beer Wholesalers Association  
National Club Association  
National Cotton Council  
National Cotton Ginners Association  
National Council of Chain Restaurants  
National Council of Farmer Cooperatives  
National Demolition Association (NDA)  
National Federation of Independent Business  
National Funeral Directors Association  
National Grocers Association  
National Lumber & Building Material Dealers Association  
National Marine Distributors Association  
National Marine Distributors Association  
National Ready Mixed Concrete Association  
National Restaurant Association  
National Retail Federation  
National RV Dealers Association (RVDA)  
National Sporting Goods Association  
National Stone, Sand & Gravel Association  
National Tooling and Machining Association  
NATSO, Representing America's Travel Centers and Truck Stops  
NCA – The National Confectioners Association  
Outdoor Amusement Business Association  
Outdoor Power Equipment and Engine Association  
Outdoor Power Equipment and Engine Service Association  
Power & Communication Contractors Association  
Precision Machined Products Association  
Precision Metalforming Association  
PRINTING United Alliance  
Restaurant Law Center  
Saturation Mailers Coalition  
SIGMA: America's Leading Fuel Marketers  
Small Business & Entrepreneurship Council  
Southeastern Cotton Ginners Association  
Texas Cotton Ginners' Association  
The Latino Coalition  
The Ohio Society of CPAs  
The Transportation Alliance  
Tree Care Industry Association



TRSA – The Line, Uniform and Facility Services Association  
U.S. Chamber of Commerce  
Workplace Solutions Association