

April 13, 2021

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Kevin McCarthy  
Republican Leader  
U.S. House of Representatives  
Washington, DC 20515

Dear Speaker Pelosi and Minority Leader McCarthy:

Our organizations and members believe employees should be compensated equitably and without discrimination. Nevertheless, we have serious concerns about H.R. 7, the *Paycheck Fairness Act*, and write to express our opposition.

Two federal laws already protect employees from being paid lower wages on the basis of sex: Title VII of the Civil Rights Act of 1964 and the Equal Pay Act of 1963. Both statutes prohibit unequal pay based on sex, and both make available substantial remedies to employees for gender-based pay differentials.

While we agree Congress should consider policies that ensure equitable pay practices, H.R. 7 is the wrong approach as it would prohibit many legitimate, non-discriminatory practices that employers use to attract and retain the best qualified employees. Specifically, under H.R. 7, a court could find pay discrimination when the differences in pay are based on professional experience, education, shift differentials or hazardous work as well as pay differentials based on local labor market rates or an organization's profitability.

Furthermore, H.R. 7 would:

- threaten employee bonus or incentive pay that, by definition, provides some employees a higher wage than others;
- prohibit employees from negotiating higher pay either before being hired or during employment;
- require employers to submit expansive new pay data on their employees to the EEOC unrelated to the Equal Pay Act's focus on gender-based pay discrimination;
- require the Labor Department to reinstate a duplicative pay grade survey that has proven ineffective at addressing gender wage disparities among federal contractors;
- make it easier for trial lawyers to file large class actions against employers by reducing the criteria for plaintiffs to opt-in to a mass action, thereby expanding these actions to include plaintiffs not truly "similarly situated;" and
- establish unlimited punitive and compensatory liability under the Equal Pay Act against employers of every size.

The business community is committed to fair and equitable hiring and pay practices and supports commonsense policies that work for all stakeholders, including workers and employers, but H.R. 7 is the wrong approach. For these reasons, we urge you to oppose H.R. 7.

Sincerely,

Associated Builders and Contractors  
International Franchise Association  
National Association of Wholesaler-Distributors  
National Federation of Independent Business

National Restaurant Association  
National Retail Federation  
National Roofing Contractors Association  
United States Chamber of Commerce

cc: Members of the U.S. House of Representatives