**Logo, company name

Description automatically generatedA picture containing text, clipart

Description automatically generatedLogo, company name

Description automatically generated**

**Business Coalitions Celebrate Decision by Texas Federal Court to Advance Independent Contractor Rule**

**FOR IMMEDIATE RELEASE**

**CONTACTS:**

**Allison Mutschler, FSI:** [allison.mutschler@financialservices.org](mailto:allison.mutschler@financialservices.org)

**Donna Reichle, ABC:** [reichle@abc.org](mailto:reichle@abc.org)

**Caroline Stec, RILA:** [caroline.stec@rila.org](mailto:caroline.stec@rila.org)

**March 16, 2022**

WASHINGTON, D.C.—The Eastern District of Texas U.S. District Court has released a notice granting a summary judgment to the Associated Builders and Contractors (ABC), the Associated Builders and Contractors of Southeast Texas (ABCSETX), the Coalition for Workforce Innovation (CWI), and the Financial Services Institute (FSI), joint plaintiffs in *Coalition for Workforce Innovation et al v. Walsh et al*. This decision will have a significant impact as independent work continues to grow as a popular way for millions of people to work.

“This decision will provide much-needed clarity for small businesses and the entire construction industry,” **said Associated Builders and Contractors Vice President of Regulatory, Labor and State Affairs Ben Brubeck.** “Independent contractors are an essential lifeline to the construction industry, and the Trump-era independent contractor rule will ensure these workers and their clients can continue to thrive and play an important role in economic growth.”

“The withdrawal of the duly finalized economic realities test was both procedurally and substantively defective, and the Coalition is pleased it has been vacated as a matter of law,” **said Evan Armstrong, Chair of CWI.** “The Department's actions undermined the very independent workers they purported to protect. CWI believes the updated economic realities test appropriately reflects the modern economy and looks forward to working with the Department of Labor to further support independent workers and the choices they make for themselves, their families, and their livelihoods.”

“The court appropriately ruled that the DOL’s independent contractor withdrawal did not follow administrative procedure. Restoring the DOL’s independent contractor rule provides clarity and certainty for independent financial advisors and independent financial services firms. Our members can now operate their businesses and serve their Main Street clients confidently knowing that their choice to be independent is secure under FLSA,” **said FSI President & CEO Dale Brown.**

In May 2021, the Associated Builders and Contractors, the Associated Builders and Contractors of Southeast Texas, the Coalition for Workforce Innovation (CWI), and the Financial Services Institute (FSI) filed an Amended Complaint challenging the U.S. Department of Labor’s unlawful withdrawal of the Independent Contractor Rule. The business groups argued that the Department’s hasty and unjustified action violates the Administrative Procedure Act (APA), compounding a violation that began when the Department improperly delayed the effective date of the Rule in 2021 without proper notice and comment and without any substantial justification.

The full decision can be found [here](https://rilastagemedia.blob.core.windows.net/rila-web/rila.web/media/media/pdfs/cwi-v-walsh-decision-re-dol-ic-rule.pdf).

[Associated Builders and Contractors](http://link.mediaoutreach.meltwater.com/ls/click?upn=wQtwPA-2BKu4AaY9zLjwgS5Ez2WSnIfBRfuunSgKxwTEQ-3DqpM0_aWPeyw6RzG-2FIKoz6MQqXEOOCXw2fQvgq2atPsJrZWFFNHUhbFWmy-2FTjy9T-2F6cTGpPhJZ-2BCFrPlVuY1d8mlo5NJZv67Yn6TErTdlIV5gIGcVZZFiPEJiPAylCXbU3-2Bys3b8M44IURxXFrV8q6i3aTbMWdQcSaDm8SzNPS1VoBOxrbx6mb9Q2xsfQSHeETEbDMzqMe9srEa2NMurzv9dtemxdE9bQPHk70nZTsVTkQLfNQ5uJnj3FSB2zBWYgLCAguK-2BsFcvrVygODo1oz1XetGybBPgPDg0muhm7QRCCEDnENxjDAvzxPjuq5zU7-2BoQ-2F51BvyJPJPp4ZjLCG3bK9RNh9WKM6-2FLRRdfNZh4HZ8E4lpe5GervudnO-2F9ECW8v-2FZD) is a national construction industry trade association established in 1950 that represents more than 21,000 members. Founded on the merit shop philosophy, ABC and its 69 chapters help members develop people, win work and deliver that work safely, ethically and profitably for the betterment of the communities in which ABC and its members work.

The [Coalition for Workforce Innovation](https://workforceinnovation.net/) brings together diverse stakeholders representing technology companies, worker advocates, retail, and service industries, to educate policymakers on the benefits of independent work and to support policy proposals that protect and empower individuals to choose nontraditional work arrangements.

The[Financial Services Institute (FSI)](https://financialservices.org/)is the only organization advocating solely on behalf of independent financial advisors and independent financial services firms. Since 2004, through advocacy, education and public awareness, FSI has successfully promoted a more responsible regulatory environment for over 80 independent financial services firm members and their 130,000+ affiliated financial advisors – which comprise over 45% of all producing registered representatives. We effect change through involvement in FINRA governance as well as constructive engagement in the regulatory and legislative processes, working to create a healthier regulatory environment for our members so they can provide affordable, objective advice to hard-working Main Street Americans.

###