



The Daily Dish

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House Republicans are examining how to make certain tax cuts permanent, implement international tax reform, and fund the Highway Trust Fund. The set of tax cuts, known as “tax extenders,” are set to expire by the end of the year. According to [The Hill](#), “[Rep.] Reichert said he believed that the House would push to get a full six-year highway bill done by mid-October, to give them time to reconcile the measure with the Senate.” Before the August recess, the Senate passed their own version of a Highway Trust Fund bill that funded the program for three years.

[Regulators imposed over \\$1 billion in burdens just last week.](#) Department of Energy led the week with a rule on vertical air conditioners that alone, has a total cost of over \$1 billion dollars. This week’s additions bring the [total finalized costs to \\$68.8 billion](#) since January of this year.

[The federal government shut down an Obamacare](#) nonprofit due to financial problems. This is the most recent co-op to have fiscal issues, leading to CMS stepping in to close down operations. With the open enrollment window coming soon, one report detailed how 21 out of 23 co-ops are losing money, putting \$2.4 billion in federal loans in danger.

Eakinomics: NLRB Strikes Again

The National Labor Relations Board (NLRB) continues its crusade for organized labor. As [reported](#) by the Washington Examiner, “The board is considering designating companies that use temp agencies to be ‘joint employers’ of the agencies’ workers. In effect, a corporation that hires an agency for a short-term project could find itself permanently responsible for the latter’s workers if they unionize.”

Think about that for a second. Suppose the American Action Forum (AAF) hires temp agency employees periodically to track the burden imposed by new regulations. Suddenly, AAF would be a joint employer and subject to union organizing and negotiations. As it turns out, AAF doesn’t use temps but it does regularly purchase telecommunication services, copier services, and myriad other business services. Should it suddenly be viewed as “joint” with these companies simply because it has an arms-length business relationship?

It is a potentially costly approach that also heightens the uncertainty facing employers. And it is not the first time. The NLRB has sought to [designate McDonald's](#) a “joint employer” of all McDonald’s workers, instead of them being considered the employees of individual franchises. Franchises are major employers and have contributed significantly to the recovery, despite the increasing burdens placed on them. There are over 770,000 franchises that employ over 8.5 million workers. In the typical setup, the strength of franchising is the value of the brand, and franchises set standards to ensure quality and, thus, protect and enhance the brands. However, this typically does not mean that the franchisor sets particular employment or hiring practices. Franchisees determine who to hire and fire, wage rates and benefits, and work schedules.

For years, the NLRB and the courts have rejected the joint employer thesis. Its decision to pursue the McDonald’s case was damaging to the franchise model as the heavy monitoring, control and negotiating costs

will likely slow the growth of franchises and their employment. Its decision to extend the scope of this wrong-headed policy to include temp agencies doubles down on the damage.

From the Forum

[Week in Regulation](#) by Sam Batkins, AAF Director of Regulatory Policy

Fact of the Day

\$375 million is allocated to the Housing Trust Fund. Just two states—California and New York—stand to receive 26 percent of the funding in accordance with the Department of Housing & Urban Development funding formula.