



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



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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 5th 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 5th 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,



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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



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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



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