

Donald J. Trump 47th President of the United States of America The White House 1600 Pennsylvania Avenue, N.W. Washington, DC 20500

February 20, 2025

Dear President Trump,

On behalf of <u>HR Policy Association</u>, congratulations on your historic victory and second administration! The Association stands ready to work with you and your administration to craft practical solutions and forward-thinking policy to address the critical challenges facing our nation's employers and workforce. Together, we can position the United States to cultivate world-class talent, strengthen competitiveness, and drive economic growth.

HR Policy Association is the leading organization representing the Chief Human Resource Officers (CHROs) of the largest corporations doing business in the United States and globally. Collectively, the Association's nearly 400 member companies employ more than ten million employees in the United States—nearly nine percent of the private sector workforce—and 20 million employees worldwide. The Association brings CHROs together to discuss and advocate for improvements in human resource policy and practices, and to pursue initiatives that promote job growth, employment security, and competitiveness.

HRPA appreciated the opportunity to engage with your transition landing teams and looks forward to continuing our collaboration. As you work with the 119th Congress on legislative initiatives and pursue executive actions, we want to highlight key areas where our priorities align—strengthening the American economy and enhancing global competitiveness. Below are the issues of particular importance to our member companies.

- **Regulatory Overreach** The Biden administration overstepped with their "all of government" approach and employers across the nation need your leadership on issues such as joint employer liability, independent contractors, election and handbook rules, captive audience meetings as well as enhanced remedies. Our members are also requesting action on fixing regulatory impediments to broad-based Restricted Stock Unit or RSU, grants as well resuscitating, reimagining and revitalizing your apprenticeship programs from your first administration.
- Non-compete Agreements The Federal Trade Commission under the Biden administration proposed a rule to ban non-compete agreements which was later struck down by the courts. We believe that non-compete clauses, when used responsibly, can help companies protect vital investments in their employees and infrastructure, while ensuring the security of research and development, trade secrets, and institutional knowledge. As such, we oppose a blanket ban on the use of non-compete clauses in employment agreements, while acknowledging that more restrictions for lower-wage employees may be necessary. The Association supports non-compete agreement reform that ensures their continued reasonable use for certain segments of an employer's workforce.

- AI in the Workplace Association members are committed to using cutting-edge technology to drive growth, create jobs, and keep our country competitive. As such, members are dedicated to deploying AI and automation in the workplace responsibly, ensuring transparency and fairness while maximizing efficiency. As your administration considers actions on AI and automated systems in the workplace, we strongly encourage you to engage directly with employers and industry leaders before developing any executive orders or regulations. By working together, we can ensure policies are based on the most accurate, up-to-date information about AI's rapidly evolving capabilities and its impact on our workforce. A smart, pro-business approach to AI will help America stay ahead, create more jobs, and keep our economy booming.
- Paid Family and Medical Leave The Association's member companies understand the importance of paid family and medical leave and have experience and expertise with the implementation of these benefits. Vice President J.D. Vance has voiced support for and should spearhead addressing family and medical leave. With that in mind, we urge you to consider some of the <u>issues and questions</u> we are hearing from our members related to a national federal paid FMLA program.
- Employment-based *Legal* Immigration America thrives when we have the best and brightest talent fueling our economy. The Association, along with our members, urges you to work with Congress to find a solution for DACA recipients and highly skilled STEM professionals—many of whom are filling essential roles in companies across the country. For those already contributing to America's success, or those eager and able to do so, joint Executive and Congressional action is needed to help U.S. companies meet critical workforce demands. Strengthening and enhancing our legal immigration system isn't just smart policy—it's a pro-growth, America-first strategy that will generate crucial revenue for the treasury while addressing the nation's workforce shortage crisis. By securing the talent pipeline, we ensure that American businesses remain competitive, innovative, and positioned for long-term success. In areas where such workers meet a workforce need, <u>wages increase</u> and new jobs are created, contributing to the U.S. economy.
- Health Care Affordability and Prescription Drug Prices To combat rising prescription drug and hospital prices which continue to be top concerns for our members, we support increasing transparency throughout the prescription drug supply chain, reducing anti-competitive practices through patent reform, and prohibiting all-or-nothing contract clauses. We also urge you to work with Congress to strengthen employer-sponsored health coverage—the foundation of healthcare for millions of American workers. This means preserving the current tax treatment of benefits and protecting ERISA preemption, ensuring that businesses can continue providing high-quality, affordable healthcare without excessive government interference. Your leadership in driving down healthcare costs and supporting free-market solutions will help American businesses compete and keep more money in the pockets of American workers.
- Data Privacy Large employers seek to maintain a culture of trust in the workplace while providing leading wages, benefits, and a safe work environment. Toward these ends employers collect and process information about workers that is essential for issuing pay checks, administering benefits—such as health insurance and paid leave—and withholding taxes. As the administration works on consumer privacy efforts, we encourage the White House to consider the inherent differences between employment-related and consumer data. Any federal consumer privacy actions must be clear in their scope—focused on consumers.

- Labor Law Reform Current federal labor law is based on an outdated, adversarial labor relations model that pits unions against employers and inhibits practical solutions to modern workplace issues. We encourage your administration to pull back this heavy-handed approach and find solutions that embrace the collaborative future of work. This will allow for more creative and integrated labor relations paradigms prioritizing employee voice.
- **Proxy Advisory Reform** Proxy advisory firm services provide a cost-effective way for institutional investors to evaluate proposals, vote proxies, and meet fiduciary standards. However, these firms hold significant sway over executive compensation, corporate governance, and stakeholder management, yet are not fully accountable for their reports and often resist input from the companies they assess. We hope you will encourage the SEC to finalize a moderate set of proxy advisory reforms to make the process more transparent and accurate.

HR Policy Association looks forward to working with you and your administration in support of the topics presented above. If you or your staff would like to discuss the Association's work further, please contact me at <u>Cbirbal@hrpolicy.org</u>.

Sincerely,

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