

**STATEMENT OF DR. DAVID WEIL
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WAGE AND HOUR DIVISION ADMINISTRATOR
CONFIRMATION HEARING BEFORE THE SENATE COMMITTEE ON
HEALTH, EDUCATION, LABOR AND PENSIONS
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Thank you Chairman Harkin, Ranking Member Alexander, and distinguished members of the Committee for the opportunity to appear before you today as you consider my nomination to serve as the United States Wage and Hour Administrator.

I am deeply grateful to President Barack Obama for nominating me to the position of Wage and Hour Administrator and to Secretary Thomas Perez for the confidence he has shown me in supporting my nomination. As someone who considers himself a son of two great states, I want to thank Senators Warren and Markey of Massachusetts for their kind introductions this morning. I also wish to acknowledge and thank my wife, Miriam, sisters Carla and Lisa Weil, cousins Greg Schetina and Amy Shapiro, and many friends for joining me today.

I am humbled by the opportunity, if confirmed, to serve my country as Wage and Hour Administrator. The laws that the Wage and Hour Division oversees, including the Fair Labor Standards Act which celebrates its 75th anniversary this year are key to ensuring that men and women are paid a fair day's wage for a fair day's work and that businesses who abide by the law can compete on a level playing field. These principles are not only rooted in our workplace laws, but reflect a basic concept of justice that underlies our labor market and economy.

I sit here today in large part because of the ability of my parents and grandparents to earn a fair day's wage for a fair day's work. My mother's parents came to the United States at the turn of the last century. Like thousands of other immigrants, my grandparents worked for years in the garment industry in order to save enough to start a small business to support their family and educate their children. My father and his family fled Nazi Germany and arrived in the United States in 1939 with few resources, but a desire to build a new life in this country. My father has often recounted to me the many jobs that he held as a young man. Whether stocking goods in a grocery, selling shoes, delivering mail, or working on a truck assembly line, he was able to earn

enough to help support his family, go to college, and eventually attend medical school, providing a solid economic foundation for his children.

Growing up in a small town in northeastern Colorado, I had many classmates whose families were seeking to find the same pathway—whether the sons and daughters of farmers or farm workers, of workers in the local meatpacking and livestock industry, or of small business owners. Some of those families were successful in building an economic foundation for their children as my parents were able to do for my sisters and me. But other families were not so fortunate. These experiences gave me a deep appreciation of the opportunity that had been afforded to my family and an abiding interest in the labor market and the workplace. Beginning with my doctoral work at Harvard University and continuing over the course of my academic career, I have pioneered research regarding how industry structure and market forces affect business decisions regarding the workplace. As a Boston University business school professor who has taught close to one thousand MBAs in my twenty year career, I bring a unique perspective to these public policy questions, rooting my work on government policy in an understanding of how businesses make decisions in competitive environments. On the basis of my expertise, I have advised both Democratic and Republican administrations in the US at the federal and state levels and policy makers in other countries on designing and implementing public policies for the workplace, particularly in the area of labor standards.

If confirmed, I would work tirelessly as Wage and Hour Administrator to assure that men and women receive the compensation that they are entitled from their work and that the ideals embodied in labor standards legislation are carried out in practice. Let me describe the principles that would guide me in pursuit of that goal.

Principles and Priorities

In my view, a fundamental role of the Wage and Hour Administrator is making sure that the laws entrusted to the agency are administered *efficiently, effectively, fairly, transparently, and rigorously*. Let me briefly describe what these principles mean to me.

Efficiency: The Wage and Hour Division, like all organizations, has limited resources with which to pursue its objectives—in this case, ensuring compliance with minimum wage, overtime,

child labor, family medical leave, and other compensation standards across millions of workplaces spread throughout the United States. In order to efficiently respond to this challenge, the agency must prioritize. Prioritization, in turn, requires establishing clear measures of workplace problems. Efficiency attained through prioritization, however, must be accompanied by a second principle: effectiveness.

Effectiveness: Achieving the aims of labor standards laws requires using the appropriate methods to achieve compliance. The Wage and Hour Division has a range of tools available to it and the agency must choose the most effective tool at hand. For example, non-compliance may arise in some instances from confusion about regulatory requirements. In such cases, education and outreach may be the most appropriate tools. In other cases, non-compliance may arise from intentional and sometimes egregious efforts to evade legal requirements. Those cases require stronger tools of enforcement, particularly where businesses gain competitive advantage by not complying with the law. This relates to a third principle: fairness.

Fairness: It is important to ensure that those businesses that comply with the law—and often exceed its requirements—are not put at a competitive disadvantage because of their responsible actions. At the same time, one must be equally vigilant that businesses that flout the law do not benefit from that behavior. This fairness principle requires administering labor standards laws in a way that creates the right incentives, making those who comply with our workplace laws stronger, not weaker, in the markets in which they operate.

Transparency: It is critical for all parties affected by the laws administered by the Wage and Hour Division—workers, businesses, workers advocates, business associations—to understand their rights and responsibilities under the law, as well as the policies being pursued by the agency. The transparency principle of clearly articulating and communicating with those parties and making the activities of the Wage and Hour Division as clear as possible is a natural complement to the other principles. If employers clearly understand their responsibilities under the law they are far more likely to comply with them.

Transparency is also a vital principle in working with Congress and more broadly with the public. It is essential that the Wage and Hour Division clearly articulate its policies and procedures and explain how these relate to achieving its mission. Transparency is also vital for

fostering dialogue with stakeholders, Congress, and the general public. If I am confirmed, I would make that engagement a major priority.

Rigorous Evaluation: A final principle to ensure that the Wage and Hour Division best achieves its objectives is engaging in ongoing, rigorous, and evidence-based evaluation of all that we do. Evidence-based management complements the other principles, whether in setting priorities, assessing which intervention tools will have the greatest efficacy, or in providing stakeholders ongoing information on the activities of the agency. Equally, making evaluation a core part of what the agency does means that new initiatives will be assessed as to whether or not they achieve intended objectives. If confirmed, I would work to ensure that both existing and new initiatives were carefully evaluated and that appropriate adjustments were made in light of those evaluations.

Given the complexity of the modern workplace, the challenges facing the Wage and Hour Division are great. I would be honored to be able to work with the talented men and women that make up the Wage and Hour Division in their vital work of ensuring that American workers receive a fair day's pay for a fair day's work. Mr. Chairman, Ranking Member Alexander, and members of the Committee, I once again thank you for the opportunity to discuss my views with you and I look forward to addressing your questions.