



November 30, 2023

Dear Member of Congress,

We express our collective concern regarding the National Labor Relations Board's (NLRB) final rule, "Standard for Determining Joint Employer Status." This rule marks a significant departure from the longstanding joint employer standard, and we urge your support for the bipartisan Congressional Review Act (CRA) resolutions (H.J.Res.98, S.J.Res.49) led by Senator Bill Cassidy (R-La.), Senator Joe Manchin (D-W.Va.) and Congressman John James (R-Mich.) to reverse it.

The new NLRB rule diverges significantly from the traditional joint employer standard, which has been a fundamental cornerstone for the growth and stability of the restaurant industry. Historically, two entities are considered joint employers only when they exert direct and immediate control over essential employment factors. This clear standard has been instrumental in fostering the franchise business model and supporting independent restaurant operations in communities nationwide.

The NLRB's 2023 rule expands the scope of what constitutes a joint employer to an unprecedented degree, increasing liability risks and compliance burdens for restaurant businesses of all sizes. This change is not merely administrative; it redefines what it means to be an employer in our industry. Under this rule, the expanded criteria for joint employer status could result in numerous restaurant operators being inadvertently caught in complex legal and regulatory networks, particularly those in franchisor-franchisee relationships or those utilizing third-party vendors.

The implications of the NLRB's rule are profound and far-reaching for the restaurant industry, a sector that is not only a cornerstone of the American economy but also a vital source of employment and community engagement. As one of the largest private-sector employers, the restaurant industry significantly contributes to economic development and job creation across the nation. This rule risks imposing onerous regulatory burdens and increased legal liabilities that could limit entrepreneurship and dampen the dynamism essential for restaurants' continued success and resilience in communities in every state.

In light of these concerns, we ask for your support of the CRA resolutions to reverse the NLRB's overreaching Joint Employer rule, and thank you for your consideration.

Sincerely,

National Restaurant Association

Alabama Restaurant & Hospitality Association
Alaska Cabaret, Hotel, Restaurant & Retailers
Association

Arizona Restaurant Association
Arkansas Hospitality Association
California Restaurant Association

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