December 11, 2023

Congresswoman Virginia Foxx
Chairwoman of the Committee on Education and the Workforce
United States House of Representatives
Washington, D.C., 20515

We strongly support the Education and Workforce Committee's markup of the Congressional Review Act resolution to overturn the National Labor Relations Board's (NLRB's) new joint employer rule. The 2023 NLRB rule redefines the Joint Employer Standard, creating uncertainty and increased liability for franchise operators. Franchising has long been a pathway to business ownership and economic growth in the restaurant sector. This new rule threatens the very foundation of this model. It jeopardizes the autonomy of franchise owners and could deter future entrepreneurial endeavors in franchising.

Moreover, the rule's broader criteria for joint employment status extends beyond franchising, impacting restaurants that depend on third-party services. Many in our industry rely on vendors and contractors for essential services like supply chain management, cleaning, and maintenance. The expanded definition of joint employment could inadvertently entangle restaurant operators in complex legal responsibilities and obligations for practices beyond their direct control. This complicates operational decisions and poses significant financial and legal risks.

By marking up the CRA resolution, the Committee takes a crucial step toward protecting the diverse and dynamic nature of the restaurant industry. We urge lawmakers to recognize the detrimental impacts the NLRB's rule would have on franchising and independent operators who use third-party services. Supporting this resolution is vital for maintaining a stable and conducive business environment where all facets of the restaurant industry can thrive.

We appreciate the Committee's attention to this matter and are committed to working collaboratively to ensure a regulatory framework that supports the health and sustainability of the restaurant industry.

Sincerely,

Sean Kennedy
Executive Vice President for Public Affairs