



December 2, 2008

Dear Representative:

On behalf of the International Franchise Association (IFA) I urge you to oppose the “Employee Free Choice Act” (EFCA, or H.R. 800/S. 1041 in the 110<sup>th</sup> Congress) which we expect to be re-introduced in early 2009. The franchised business community strongly opposes this radical restructuring of labor law in order to tip the scales to the favor of paid union organizers at the expense of employee privacy.

As the largest and oldest franchising trade group, the IFA’s mission is to safeguard the business environment for franchising worldwide. IFA represents more than 85 industries, including more than 10,000 franchisee, 1,200 franchisor and 600 supplier members nationwide. According to a 2008 study conducted by PricewaterhouseCoopers, there are more than 900,000 franchised establishments in the U.S. that are responsible for creating 21 million American jobs and generating \$2.3 trillion in annual economic output.

The members of the IFA are “Main Street” business leaders in every community across the United States, and they are gravely concerned about the Employee Free Choice Act. Make no mistake, the purpose of EFCA is not labor law reform. The legislation is a dramatic assault on the rights of employees and employers, and we strongly urge you to reject all three elements of this flawed legislation. Quite simply, no combination of these changes is acceptable. Each of these provisions has been specifically crafted to replace fairness in labor law with expediency and cause irreparable harm to the U.S. economy.

- **Elimination of the Secret Ballot:** The bill mandates union recognition if a majority of employees in a designated bargaining unit sign authorization cards, but the measure provides no safeguards to ensure that signatures are obtained fairly and freely. Only a secret ballot can ensure that a worker is voting without the threat of intimidation from their employer, union organizers or peers. Members of Congress obviously recognize that a private ballot is a superior method of validating the views of the majority since all congressional leadership elections on both sides of the political aisle are conducted with a secret ballot. Why should employees be exposed to a grossly inferior standard of protection in the workplace?
- **Binding Government Mandates on Employees and Employers:** The bill also provides for a binding arbitration process if a first contract is not agreed to within 120 days of union recognition. If enacted, parties to contract negotiations will have little incentive to bargain in good faith, and contracts ultimately will be imposed on workers and employers by a third party. This provision would again deny workers of essential voting rights (the first instance being with card-check), since there would be no opportunity to ratify the contract once it is imposed. The fatal flaw of compulsory arbitration is that it will bind the employer and employees together in a package of contract provisions that were never negotiated nor


ratified and may be too rigid to enable the company to survive in a competitive economy.

- **One-Sided Expansion of Penalties:** Finally, EFCA imposes dramatic new penalties on employers for violations of the National Labor Relations Act, but not a single new penalty is proposed for unions or labor organizers. Under one provision of the new penalty structure, employers would face an injunction reinstating a dismissed employee if that employee, or the union, merely alleges that the dismissal was because of union activity. Such a low threshold destroys even the semblance of due process in labor law.

There are many important issues facing the future prosperity and economic competitiveness of our country—including tax policy, health care reform and immigration reform. We look forward to working with you on these issues in the 111<sup>th</sup> Congress. However, we believe the Employee Free Choice Act is not the solution to address the challenges currently facing small franchised businesses or their invaluable employees. Again, we urge you to oppose this anti-worker and anti-competitive legislation.

Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "David French". The signature is stylized with a large, sweeping initial "D" and a cursive "French".

David French  
Vice President, Government Relations