



FRANCHISING
Building local businesses,
one opportunity at a time.

Robert Cresanti
President and Chief Executive Officer

2015 IFA OFFICERS AND BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

Melanie Bergeron, CFE
TWO MEN AND A TRUCK INTERNATIONAL, INCTM
Chairwoman

Aziz Hashim
NRD Capital, LLC
Vice Chairman

Shelly Sun, CFE
BrightStar Franchising, LLC
Treasurer

Liam Brown
Marriott International
Secretary

Stephen Joyce
Choice Hotels International
Immediate Past Chairman

Jeffrey Tews
BrightStar Healthcare of Madison, WI S and J Home Care LLC
Franchisee Forum Chairman

Catherine Monson, CFE
FASTSIGNS International
Franchisor Forum Chairwoman

Ryan Cunningham
Javelin Solutions
Supplier Forum Chairman

BOARD OF DIRECTORS

Cheryl Bachelder
Popeyes Louisiana Kitchen

Jania Bailey, CFE
FranNet Franchising, LLC

David Barr
PMTD Restaurants

Charlie Chase
FirstService Brands

Mitch Cohen
Baskin Robbins/Dunkin' Donuts Bayshore, NY

Jerry Crawford, CFE
Jani-King International, Inc.

Richard Emmett
Dunkin' Brands, Inc.

Kathleen Gilmartin
Interim HealthCare Inc.

Mariana Huberman
UPS Store of Washington, DC
Franchisee Forum First Vice Chairwoman

Darrell Johnson, CFE
FRANdata

Saunda Kitchen, CFE
Mr. Rooter of Sonoma County, CA

Gordon Logan
Sport Clips, Inc.

Robert McDevitt, CFE
Golden Corral Buffet & Grill

Barry Miller
Sylvan Learning Center of Girard, OH

Tabbassum Mumtaz
Apex Restaurant Management, Inc.

Matthew Patinkin
Auntie Anne's Pretzels Double P Corporation

Guillermo Perales
Sun Holdings, LLC

Karen Powell, CFE
Decor & You FranchisEsource Brands International

Andrew Puzder
CKE Restaurants, Inc.

Michael Seid, CFE
CFWshops

Larry Weinberg, CFE
Cassels Brock & Blackwell LLP
Supplier Forum First Vice Chairman

December 3, 2015

Dear Member of Congress:

On behalf of the nation's 780,000 franchise business establishments and the 8.9 million workers they employ, I write today to express support for a provision included in the FY 2016 Labor, Health and Human Services, Education and Related Agencies Appropriations Bill that would stop the National Labor Relations Board (NLRB) from implementing a radical change to the National Labor Relations Act's (NLRA) joint employer standard.

On August 27, the NLRB's decision in its *Browning-Ferris Industries* case dramatically expanded the agency's joint employer standard. The standard, used to determine when two separate companies share collective bargaining obligations and unfair labor practice liability under the NLRA, had previously stated that only businesses with direct and immediate control over the terms and conditions of employment of another entity's workers could be found to be joint employers. This precedent has been in place for over 30 years, establishing a bright line test and providing franchise businesses with liability protections and certainty in their workforce management practices. However, the Board's expansion of the joint employer definition to include companies without actual and direct control creates widespread confusion and uncertainty for franchise brand companies and individual franchise small business owners alike.

The franchise business model has proven to be a successful engine for economic development in the United States, providing entrepreneurship opportunities and establishing locally-owned businesses with recognized brands. According to the most recent ADP National Franchise Report, U.S. private sector jobs in franchising increased by 25,600 in the month of November, and the 4 percent employment growth rate in franchising is double that of the labor market as a whole. However, the expanded joint employer standard looms large over the expansion plans of franchises, as brand companies consider their increased liabilities and franchise small business owners hesitate to expand businesses that they may not fully control in the eyes of the NLRB.

The International Franchise Association (IFA) urges Congress to incorporate this provision into the 2016 omnibus spending package to provide certainty for franchise business owners as the Board further considers the impacts of its new ruling on the franchise business model that has been such a significant driver of economic development in communities across America.

Sincerely,

Robert C. Cresanti