

December 3, 2025

The Honorable Don Davis  
U.S. House of Representatives  
1123 Longworth House Office Building  
Washington, DC 20515

The Honorable Kevin Hern  
U.S. House of Representatives  
171 Cannon House Office Building  
Washington, DC 20515

Dear Representatives Davis and Hern:

The undersigned organizations write in strong support of your legislation, the “American Franchise Act (AFA).” This bill takes a new, bipartisan approach to the joint employer issue, which has mired small businesses in uncertainty for a decade, especially franchises. By codifying a clear, permanent standard for franchising, the AFA will help ensure that this critical business model-- which generates around \$900 billion in annual U.S. economic output and employs 8.8 million workers in every state and district— continues to grow and support local communities.

As you know, the federal joint employer standard determines when two entities share responsibility for violations of labor law based on one entity’s control of the other entity’s employees. Until 2015, a company was considered a “joint employer” under the National Labor Relations Act (NLRA) with another company only if it had substantial direct and immediate control over narrowly defined essential terms and conditions of employment of the other company's employees – like hiring, firing, wages, supervision, and disciplinary action. But in 2015, the National Labor Relations Board (NLRB) created an overly broad joint employer standard that resulted in 376,000 lost job opportunities and a 93% spike in costly litigation. Making matters worse, the joint employer standard changed another three times in the last decade, creating unnecessary unpredictability for businesses in the franchising community.

To restore certainty for franchising, AFA narrowly amends the NLRA and Fair Labor Standards Act (FLSA) to clarify that a franchisor may still be considered a joint employer, but only if the franchisor exercises substantial direct and immediate control over one or more essential terms of employees of the franchisee. The AFA reflects the clear bipartisan, bicameral support for the franchise model in Congress, and, if enacted, it will provide valuable certainty to franchisors, franchisees, and workers.

Again, we are grateful for your leadership on this important issue, and we urge all members of Congress to support the American Franchise Act.

Sincerely,

National:

American Association of Franchisees & Dealers  
American Hotel & Lodging Association  
Asian American Hotel Owners Association (AAHOA)  
Association of Kentucky Fried Chicken Franchisees  
Coalition of Franchisee Associations (CFA)  
Dunkin’ Donuts Independent Franchise Owners (DDIFO)

Epcon Communities  
Family Business Coalition  
Family Enterprise USA  
Franchise Business Services  
Health & Fitness Association  
Home Care Association of America  
International Franchise Association  
International Salon & Spa Business Network  
International Sign Association  
International Spa Association  
National Asian / Pacific Islander American Chamber of Commerce and Entrepreneurship (National ACE)  
National Association of Black Hotel Owners, Operators & Developers  
National Association of Professional Employer Organizations  
National Association of Spa Franchises  
National Federation of Independent Business  
National Franchisee Association  
National Restaurant Association  
NATSO, Representing America's Travel Centers and Truck Stops  
North American Association of Subway Franchisees (NAASF)  
Professional Beauty Association  
SIGMA: America's Leading Fuel Marketers  
Small Business & Entrepreneurship Council  
The American Pizza Community  
The Worldwide Cleaning Industry Association  
U.S. Black Chambers, Inc.  
U.S. Hispanic Chamber of Commerce  
U.S. Travel Association

State:

Alabama Restaurant & Hospitality Association  
Alaska Cabaret, Hotel, Restaurant and Retailers Association  
Arizona Chamber of Commerce  
Arizona Restaurant Association  
Arkansas Hospitality Association  
Asociación de Restaurantes de Puerto Rico  
California Restaurant Association  
Colorado Hotel & Lodging Association  
Colorado Restaurant Association  
Connecticut Restaurant Association  
Delaware Restaurant Association  
Florida Restaurant & Lodging Association  
Georgia Chamber of Commerce  
Georgia Hotel & Lodging Association  
Georgia Restaurant Association

Hawaii Hotel Alliance  
Hawaii Restaurant Association  
Hospitality Maine  
Hospitality Minnesota  
Idaho Lodging & Restaurant Association  
Illinois Hotel & Lodging Association  
Illinois Restaurant Association  
Indiana Restaurant & Lodging Association  
Iowa Restaurant Association  
Kansas Restaurant & Hospitality Association  
Kentucky Restaurant Association  
Louisiana Restaurant Association  
Maine State Chamber of Commerce  
Massachusetts Restaurant Association  
Metro Atlanta Chamber  
Michigan Chamber of Commerce  
Michigan Restaurant & Lodging Association  
Minnesota Retailers Association  
Mississippi Hospitality and Restaurant Association  
Missouri Restaurant Association  
Montana Retail Association  
Montana Restaurant Association  
Nebraska Hospitality Association  
Nevada Restaurant Association  
New Hampshire Lodging & Restaurant Association  
New Jersey Restaurant & Hospitality Association  
New Mexico Restaurant Association  
New York State Hospitality & Tourism Association (NYSHTA)  
New York State Restaurant Association  
North Carolina Chamber  
North Carolina Restaurant & Lodging Association  
North Dakota Hospitality Association  
Ohio Chamber of Commerce  
Ohio Hotel & Lodging Association  
Ohio Restaurant & Hospitality Alliance  
Oklahoma Restaurant Association  
Oregon Restaurant & Lodging Association  
Pennsylvania Restaurant & Lodging Association  
Restaurant Association of Maryland  
Restaurant Association of Metropolitan Washington  
Retail Association of Maine  
Rhode Island Hospitality Association  
South Carolina Restaurant & Lodging Association  
South Dakota Retailers Association

State Chamber of Oklahoma  
Tennessee Hospitality & Tourism Association  
Texas Hotel & Lodging Association  
Texas Restaurant Association  
Utah Restaurant Association  
Vermont Chamber of Commerce  
Virginia Chamber of Commerce  
Virginia Restaurant, Lodging & Travel Association  
Washington Hospitality Association  
West Virginia Hospitality and Travel Association  
Wisconsin Hotel & Lodging Association  
Wisconsin Restaurant Association  
Wyoming Hospitality and Travel Coalition