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January 13, 2026

The Honorable Tim Walberg
Chairman, House Committee on Education and Workforce
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Walberg,

Thank you for your Committee's work on providing clarity and efficiency to the joint-employer standard. I write to respectfully request that you consider using your leadership role to substitute a Committee vote on **H.R. 5267, the American Franchise Act**, in place of the scheduled consideration of **H.R. 4366**, as it relates to the joint-employer standard.

Both bills are grounded in the same core principle: that joint-employer liability should turn on actual, direct, and exercised control over the essential terms and conditions of employment, not indirect influence, contractual brand standards, or theoretical authority. Where the American Franchise Act differs, and where it offers the Committee a more durable vehicle, is in its precision, franchise-specific tailoring, and demonstrated Member support. **H.R. 5267 also offers a more credible path to bicameral consensus**, increasing the likelihood that the Committee's work results in enacted law rather than a symbolic vote.

Last Congress, many pro-labor Republicans and I supported the **Congressional Review Act resolution overturning the National Labor Relations Board's joint-employer rule** because we believed that rule went too far. It created instability, exposed employers to liability based on indirect or hypothetical control, and threatened legitimate franchise and contracting relationships. That vote reflected a commitment to **balance and common sense**, not hostility toward workers, collective bargaining, or fair labor standards.

At the same time, several labor-friendly Republicans now have concerns that **H.R. 4366, the Save Local Business Act, may move too far in the opposite direction**. By limiting joint-employer status to only those entities that “directly, actually, and immediately” exercise significant control, the bill risks eliminating accountability in circumstances where workers' wages, schedules, or conditions are meaningfully influenced, but intentionally structured to avoid formal control on paper. A durable joint-employer standard must prevent regulatory overreach **without creating loopholes that undermine worker protections**.

This is where **H.R. 5267 offers a better-balanced solution**. The American Franchise Act establishes a franchise-specific joint-employer test that protects small business owners while preserving accountability where a franchisor truly acts as an employer. It does so by:

- Clearly defining “substantial direct and immediate control”;
- Enumerating the essential terms and conditions of employment;
- Explicitly protecting routine franchisor conduct—such as brand standards, training requirements, and quality controls—from being mischaracterized as employer control; and
- Anchoring the definition of franchising to long-standing FTC standards, ensuring consistency across federal law.

Importantly, **H.R. 5267 has already earned the support of 67 cosponsors**, reflecting a broad and tested consensus that franchising requires clarity, stability, and carefully drawn guardrails. By contrast, while H.R. 4366 advances an important economy-wide framework, it currently has **only two cosponsors**, leaving its breadth of support, particularly among Members representing franchise-heavy districts, largely untested.

For franchising, an employment model uniquely destabilized by shifting joint-employer interpretations, clarity matters. A franchise-specific statutory solution directly addresses the sector most affected by regulatory whiplash, while avoiding unintended consequences for other employment relationships.

In short, **H.R. 5267 advances the shared goal of joint-employer reform with greater precision, clearer guardrails, stronger worker balance, and far broader demonstrated support**, making it, in my view, the stronger vehicle for Committee action at this time.

I respectfully urge you to consider advancing the American Franchise Act as the Committee's vehicle on joint-employer reform. I would welcome the opportunity to discuss this further and appreciate your continued leadership on workforce and education issues.

Sincerely,



Nick LaLota
Member of Congress