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Isaac M. O'Bannon • Aug. 21, 2017

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Franchise owners, particularly in the restaurant industry, are applauding the introduction of the Save Local Businesses Act in the U.S. Congress, legislation that would reverse expanded joint employer standards set by the National Labor Relations Board that the organization says has increased businesses' exposure to lawsuits and unionization efforts.

The joint employer standards were redefined in 2015 in the NLRB case "Browning-Ferris," changing the standards for what organizations are considered employers. This has had wide-ranging effects on many businesses, particularly franchisees, as well as gig economy companies like Uber. The case involved waste management company Browning-Ferris and a staffing agency, and the NLRB subsequently changed a 30-year-old position that a company had to have direct control over the

actions of a subcontractor or franchisee's employees to be considered a joint

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Correa, Tim Walberg and the other sponsors for their leadership on this legislation, which will correct the regulatory overreach of the NLRB," said National Council of Chain Restaurants Executive Director Rob Green. "The NLRB's expansive and unbalanced ruling in 2015 created a definition of an employer that has challenged the business model for tens of thousands of business owners around the country."

"The legislation introduced today will correct the NLRB's regulatory rampage by restoring the sensible decades-old joint employer standard," Green added. "This will create certainty and stability in business relationships and restore the appropriate standard of joint employment liability so that it is aligned with the realities of the 21st century economy and American free enterprise."

The issue is of concern to chain restaurants because many are owned by small business franchisee owners who operate independent restaurants in local communities around the country. The expanded joint employment standard makes it more difficult for individual restaurant owners to effectively operate their establishments and jeopardizes their business relationships with vendors.

Green's comments came as he joined members of the House Education and Workforce Committee and the Coalition to Save Small and Local Businesses to announce introduction of the Save Local Businesses Act by Representative Bradley Byrne, R-Ala., chairman of the committee's Workforce Protections Subcommittee.

The National Council of Chain Restaurants is a trade association representing chain restaurant companies. For more than 40 years, the organization has worked to advance sound public policy that best serves the interests of restaurant businesses and the millions of people they employ. NCCR is a division of the National Retail Federation.

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