November 10, 2026

The Honorable Mike Johnson
Speaker of the House
H-232, The Capitol
Washington, DC 20515

The Honorable John Thune
Majority Leader
S-230, The Capitol
Washington, DC 20510

Dear Speaker Johnson, Majority Leader Thune, and Members of Congress,

On behalf of the undersigned organizations, representing a wide array of taxpayer and free market advocates, we write to express our strong support for the American Franchise Act. This legislation protects the franchise business model by clarifying the joint employer standard, thereby providing certainty for small business owners and workers across the country. As the 119th Congress comes to a close and with affordability high on the minds of voters, we urge the House and Senate to pass this commonsense legislation.

The ability of small business owners to license the branding of franchisors while retaining control over their employees plays a vital role in supporting the dynamism of the American economy. Throughout the United States, more than 830,000 franchise businesses employ nearly 9 million people and generate roughly $900 billion in annual economic output.

Unfortunately, heavy-handed and inconsistent rules from Washington are making it harder for franchise owners to run their businesses. In recent years, the National Labor Relations Board (NLRB) has expanded the "joint employer" standard. This makes it possible for both the franchisor and the franchisee to be held responsible for the same workers. Instead of having the freedom to run their day-to-day operations, franchisees are left facing legal uncertainty.

Facing the prospect of more lawsuits, franchises will either pull back or increase their involvement in the day-to-day operations of their franchisees. This, in turn, limits many of the benefits the franchise model has to offer. The 2015 standard issued by the NLRB cost franchise businesses over $33 billion per year, resulted in 376,000 lost job opportunities, and led to 93% more lawsuits. If this amount of uncertainty isn't bad enough, the whipsaw effect of different administrations issuing different rules in a partisan back and forth leaves small business owners unable to plan ahead.

The American Franchise Act offers a solution to this problem by codifying a permanent and clear joint employer standard for franchises. This legislation clarifies that a franchisor may be considered a joint employer of the employees of a franchisee only if the franchisor possesses and exercises "substantial direct and immediate control" over one or more essential terms of employment. This straightforward standard is in line with historical precedent and provides the small business community with the clarity needed to plan for the future.

Small businesses are the backbone of Main Street. At a time when so many Americans are concerned about affordability, it's more important than ever that franchise businesses be protected from Washington overreach. Notwithstanding the demagoguery surrounding this issue, the American Franchise Act does not strip workers of protections. It simply clarifies who is responsible for employment decisions while preserving liability where real control exists. We are proud to support this legislation and look forward to working with you to help it become law.

Sincerely,

**National Taxpayers Union**
Pete Sepp
*President*

**60 Plus Association**
James L. Martin
*Founder/Chairman*

**Advancing American Freedom**
Tim Chapman
*President*

**American Association of Senior Citizens**
Saulius "Saul" Anuzis
*President*

**American Commitment**
Phil Kerpen
*President*

**Americans for Limited Government**
Robert Romano
*Executive Director*

**Bluegrass Institute**
Caleb Brown
*Chief Executive Officer*

**Center for a Free Economy**
Ryan Ellis
*President*

**Christian Employers Alliance**
Margaret Iuculano
*President*

**Conservatives for Property Rights**
James Edwards, Ph.D.
*Founder and Executive Director*

**Consumer Action for a Strong Economy**
Matthew Kandrach
*President*

**Council for Citizens Against Government Waste**
Tom Schatz
*President*

**Foundation for Research on Equal Opportunity**
Akash Chougule
*President*

**Illinois Policy**
Mailee Smith
*Vice President of Policy and Litigation*

**Job Creators Network**
Alfredo Ortiz
*CEO*

**Pinpoint Policy Institute**
Eric Ventimiglia
*Executive Director*

**Rio Grande Foundation**
Paul Gessing
*President*

**Small Business & Entrepreneurship Council**
Karen Kerrigan
*President & CEO*

**Southwest Public Policy Institute**
Gregory A. Schroeder
*Executive Vice President*

**Taxpayers Protection Alliance**
Cam Morales
*Director of Federal Affairs & Coalitions*