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Small Business Owners Applaud Bicameral Legislation Protecting the Franchise Model

ATLANTA, GA – September 10, 2015, – The Asian American Hotel Owners Association (AAHOA) applauds Senator Lamar Alexander (R-TN) and Congressman John Kline (R-MN) for introducing the “Protecting Local Business Opportunity Act,” a critical piece of legislation that reestablishes the definition of “joint employer” recently overturned by the National Labor Relations Board’s (NLRB) Browning-Ferris ruling.

The proposed act comes after almost two weeks of industry-wide unease and speculation as to the detrimental effects of the NLRB’s Browning-Ferris decision. It stands in clear opposition to the democratic standards of legislative responsibility that American small business owners and their employees expect and deserve.

“With almost 60 percent of AAHOA member properties franchised, the NLRB’s Browning-Ferris decision will have a dramatic effect on these small businesses and their employees. Senator Alexander and Congressman Kline understand the devastating impact that an expanded definition will have on the economy,” said Chip Rogers, President and CEO of AAHOA. “If enacted, their bicameral legislation will provide a simple and straightforward definition of ‘joint employer,’ thereby guaranteeing that franchised businesses will not be threatened by irresponsible regulatory overreach.”

Though the recently overturned standard protected small businesses and entrepreneurs for over 30 years, the NLRB arbitrarily and unilaterally set a new labor standard that is poised to detrimentally affect both the franchise model and the hotel industry as a whole. AAHOA members fear the irreparable damage that the new standard will have on their businesses and employees.

“As small business owners, this expanded standard will take away our members’ independence as a small business owners and will drive a wedge between them and their employees,” said AAHOA Chairman Jimmy Patel. “Ultimately, it will destroy the incentive to develop small businesses and create the jobs and opportunities for local workers.”

Founded in 1989, AAHOA is the largest hotel owners association in the world, with nearly 14,000 small business owner-members. AAHOA members own more than 20,000 properties amounting to more than 40 percent of all hotels in the United States and employ nearly 600,000 workers, accounting for nearly \$10 billion in payroll annually.

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