



J. Patrick Doyle
President and Chief Executive Officer

September 23, 2015

Dear Chairman Schmidt,

I write today to ask for your support of Senate Bills 492 & 493. The bills clarify that a franchisor is not considered to be a "joint employer" of a franchisee or a franchisee's employees for the purposes of the chapter in existing law regarding employment discrimination, payment of wages, minimum wage, professional employer organizations, workers' compensation and workers' health and safety.

The franchise business model supports more than 260,000 Michigan jobs and nearly \$22 billion in annual economic output across more than 24,000 establishments and must be protected.

As you well know, the National Labor Relations Board's (NLRB) recent decision in Browning-Ferris Industries upended decades of precedent to change the NLRB's standard for determining whether two businesses are "joint employers" of certain workers. The NLRB overturned its clear bright-line test—to determine if a business entity retained direct and immediate control of the workers—in favor of a broad, ill-defined test that will find joint employment even where one company only has the ability to exert indirect or potential control over the terms and conditions of another company's employees.

According to the dissent, this new standard will "subject countless entities to unprecedented new joint-bargaining obligations that most do not even know they have, to potential liability for unfair labor practices and breaches of collective bargaining agreements."

Senate Bills 492 & 493 would correct the Browning-Ferris decision and restore the longstanding and unambiguous "joint employer" standard, which has allowed employers to develop business models that have led to increased flexibility, competitiveness, and growth.

I urge you to please support SB 492 & 493. If you are interested in discussing further, I would be more than happy to connect.

Sincerely,