



The Honorable Paul Ryan
Speaker
United State House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Democratic Leader
United State House of Representatives
Washington, DC 20515

The Honorable Steve Scalise
Majority Whip
United State House of Representatives
Washington, D 20515

The Honorable Steny Hoyer
Minority Whip
United State House of Representatives
Washington, DC 20515

November 06, 2017

Dear Speaker Ryan, Leader Pelosi, Representative Scalise and Representative Hoyer,

On behalf of the Asian American Hotel Owners Association (AAHOA), I am writing to express AAHOA's strong support for H.R. 3441, the Save Local Business Act. Critical clarifications to the legal definition of "joint employer" proposed by the bipartisan Save Local Business Act are essential to the health of small businesses across the country owned and operated by AAHOA's hoteliers. AAHOA strongly urges a vote in favor of H.R. 3441 when it comes to the House floor on November 7th, 2017.

AAHOA represents more than 17,000 small business owners nationwide. Our members own more than 40% of all hotels in the United States and employ nearly 600,000 workers, accounting for over \$10 billion in annual payroll. As small business owners, our members consistently contribute to the economy through tourism, real estate development, job creation and community investment.

In 2015, a misguided decision by the National Labor Relations Board (NLRB) changed a decades-old legal definition of joint employer standard, replacing the unambiguous "direct and immediate control" standard with an ill-defined, ambiguous new standard of "indirect" joint employer classification. The negative impacts to small businesses and job creation under the manufactured new standard of joint employer liability created by the NLRB have had severe ramifications throughout the franchising and hospitality industries.

The uncertainty that has since reigned threatens to upend the franchise business model that has served as the pathway to achieving the American Dream of small business ownership for AAHOA members, and places the hundreds of thousands of employees employed in hotels nationwide in considerable peril.

A continuation of the expanded definition of joint employer status, attributing liability for franchisees' operating decisions onto franchisors, will create increased pressure for franchisors to exert control over the operations of the respective hotel properties in an effort to mitigate legal liability. Franchisors will have no choice but to have to dictate policies on daily operating decisions and hoteliers would be compelled to comply. Once this occurs, hoteliers would become the de facto employee of the franchisor because they would be forced to follow someone else's directives. Ultimately, the new standard of joint employer liability will collapse the franchising industry and extinguish aspirations of business ownership for AAHOA members. Consequently, many good American jobs would be lost, or never created, because entrepreneurs do not want to simply manage some else's hotel.

Congress must act swiftly to stabilize the franchising and hospitality industries; inability to do so will have grave consequences in every Congressional district. I strongly urge you and your colleagues to consider the impacts on hoteliers and all small business owners in considering H.R. 3441 when it comes to the House floor



on November 7th, 2017. AAHOA thanks you for your support and looks forward to working with you as the Save Local Business act moves forward.

Sincerely,

A handwritten signature in black ink that reads 'Chip Rogers'.

Chip Rogers
President & CEO
Asian American Hotel Owners Association (AAHOA)

cc: The Honorable Virginia Foxx
Chairwoman
Committee on Education and the Workforce
United State House of Representatives
Washington, DC 20515

cc: The Honorable Bobby Scott
Ranking Member
Committee on Education and the Workforce
United State House of Representatives
Washington, DC 20515

cc: The Honorable Members of the U.S. House of Representatives