June 4, 2026

Members of the U.S. House of Representatives

Dear Representative:

On behalf of the National Restaurant Association, I write to urge you to oppose the Faster Labor Contracts Act, H.R. 5408, and the discharge petition being used to bring this legislation to the House floor.

The Faster Labor Contracts Act (FLCA) would hand a federal arbitration panel the power to dictate the terms of a private employment contract, with no worker vote, no meaningful ability for either party to appeal the outcome, and no requirement that the contract be financially viable. Under the FLCA, if the parties fail to reach an agreement within the bill's compressed bargaining and mediation timeline, the dispute is referred to binding arbitration, where a three-person panel can impose contract terms for a period of two years.

For restaurants, this framework poses unique risks. Restaurants are highly diverse workplaces, with operational needs that vary significantly by concept, location, size, and business model. Scheduling, staffing levels, compensation practices, and day-to-day operational decisions are often tailored to the unique needs of a particular restaurant. A federally authorized arbitration panel could impose terms that are impractical, inflexible, or inconsistent with the realities of restaurant operations.

Most notably, the FLCA contains no ability-to-pay safeguard. While arbitrators are directed to consider an employer's financial condition, they are not required to ensure the resulting contract is financially sustainable. That creates significant risk for restaurants, where typical pre-tax margins are just 3–5%, and operators continue to face rising food, labor, and occupancy costs. Imposed terms that exceed what a restaurant can absorb could lead to higher prices, reduced hours, fewer jobs, or business closures.

Existing law already requires employers and unions to bargain in good faith. That is the right standard. Federal labor law should ensure a fair process for bargaining, not empower the government to dictate the substantive terms of a private labor agreement. This is especially important for restaurants, which are predominantly small businesses that do not have unlimited resources to absorb unaffordable or unworkable contract terms imposed by outside decision-makers.

A sweeping change to private-sector labor law deserves careful review, not a rushed floor vote through a discharge petition. The FLCA also assumes a significant expansion in federal mediation capacity that has not been funded. Congress has considered and declined to enact similar arbitration mechanisms before, including in the Employee Free Choice Act and the PRO Act, and it should reject this proposal as well.

For these reasons, the National Restaurant Association strongly urges you to oppose H.R. 5408.

Sincerely,

Aaron Frazier

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Vice President of Public Policy
National Restaurant Association