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Coalition of Franchisee Associations Issues Statement on NRA and IFA Agreement on Legislative and Regulatory issues in California

AB-1228 Oppose

WASHINGTON, D.C. (September 13, 2023) – The following is a statement on behalf the Coalition of Franchisee Association (CFA), an independent franchisee association advocating for franchisees and independent business owners throughout the United States, on the recent announcement from the Save Local Restaurants Coalition, that a comprehensive legislative agreement has been reached between the National Restaurant Association (NRA) and the International Franchise Association (IFA) regarding quick service restaurants and outstanding legislative and regulatory issues in California.

“As the nation’s largest franchisee-only trade association in the country, the Coalition of Franchisee Associations (CFA) is disappointed by the method in which the terms of an agreement were reached regarding quick service restaurants and outstanding legislative and regulatory issues in California. Specifically, CFA believes that franchisees - the true stakeholders in this settlement - were intentionally excluded from negotiations and yet are left to bear the financial burdens of their result,” said John Motta, Chairman of the CFA.

In addition to specifically targeting Quick Service Restaurant (QSR) franchisees and setting an onerous precedent not only for other states but for industries including hotel and lodging, full-service dining and others, CFA is discouraged that only those trade associations and franchised businesses who “paid to play” were given a seat at the negotiating table. Many individual franchisees helped fund the Save Local Restaurants Coalition, yet only a select few were involved in negotiating the terms of this agreement. As a result, small business owners across California will be faced with increased labor costs, a fast-food council determined by the same “pay to play” members who reached this agreement and a continued unequal balance of power in the franchise model.

About the Coalition of Franchisee Associations

The Coalition of Franchisee Associations, representing more than 46,000 franchisees who own over 121,000 businesses, which employ over 2.6 million individuals, is the largest franchisee-only association in the country. Its members make up the largest and most reputable independent franchisee associations with a mission “to leverage the collective strengths of franchisee associations for the benefit of the franchisee community.” The CFA — with headquarters in Washington, D.C. — is committed to providing vital support and assistance to the franchisee community at large. To learn more about the organization, please visit http://www.thecfainc.com.