



August 23, 2022

The Honorable Toni G. Atkins
President Pro Tempore
California Senate
Sacramento, CA 95814

Dear Senator Atkins:

The U.S. Chamber of Commerce opposes AB 257, the “Fast Food Accountability and Standards (FAST) Recovery Act,” which is a radical proposal to manage the fast-food industry.

The FAST Recovery Act would create a council of unelected political appointees—regardless of whether they have any business experience whatsoever—to run California’s entire fast food restaurant industry from Sacramento. This council would be empowered to establish wage rates, set working hours, and issue other rules and regulations affecting business owners and their employees. In a state that already burdens businesses with countless regulations, adding another layer would simply increase costs that ultimately would be borne by consumers. Even the California Finance Department opposes the bill, saying it would create a “fragmented regulatory and legal environment for employers and raise long-term costs.”

AB 257 also would fundamentally alter the franchise business model, a model that has existed for more than 150 years in the United States. The proposal would impose joint and several liability on franchisors for alleged violations by their franchisees, and franchisors would by necessity have to take a much more direct role in operating individual locations that are separately owned and operated by their franchisees. Inasmuch as franchisors are not willing to bear such liability, some may simply opt not to open additional locations in California or, worse, may cease operating there at all.

We firmly believe franchisees and other business owners are better equipped to run restaurants in California than unelected political appointees in Sacramento.

Sincerely,

Glenn Spencer
Senior Vice President
Employment Policy Division
U.S. Chamber of Commerce

cc: Members of the Senate