

Franchise **Action**
Network

VIRTUAL
ADVOCACY
DAY

**YOUR
ADVOCACY
TOOLKIT**



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On behalf of the International Franchise Association and the Board of Directors, welcome to the 2020 Franchise Action Network (FAN) Virtual Advocacy Day! This year, although we can't welcome all of our advocates to Washington, we have reimagined this year's meeting with a host of at-home advocacy activities. We are excited that you have decided to join us for our first ever 2020 FAN Virtual Advocacy Day as we continue the important legislative work to protect, promote and enhance the franchise business model.

As the CEO and President of FASTSIGNS International, Inc., I know how busy you must be during this time of uncertainty due to the pandemic and greatly appreciate you lending your valuable time to participate in our Virtual Day of Advocacy.

During my years on the IFA Board, I have been committed to protecting and enhancing the franchise business model. The Franchise Action Network is one of the most valuable advocacy tools that IFA has to influence public policy and ensure that franchise businesses are properly represented in future legislation.

I first attended the FAN Annual Meeting in 2000, and have missed only one meeting since, as I recognize the immense impact that advocacy has in educating elected representatives about the issues facing franchising nationwide. With the upcoming COVID-19 relief package discussion on the Hill, this year is no exception. While franchisors can help to advocate for their franchisees, it is the franchisees that bring the local story about their brand to their elected officials. Elected representatives want to hear from local business owners from their districts. This is exactly this kind of active engagement that has proven successful in protecting and promoting the franchise business model.

Two important considerations to alert your elected representatives to are the need for additional liquidity that builds off the success of the Paycheck Protection Program and the need for liability protections as the economy continues to reopen. Without additional assistance and protections, small businesses, including franchise businesses, may not be able to thrive in the current climate. We need your help in educating your elected officials about policies necessary to ensure the longevity of the franchise business model.

The importance of this year's FAN Advocacy Day cannot be overstated. Even though we are not on Capitol Hill together, our legislative work, during this time of the COVID-19 pandemic, is paramount in protecting the health of your business. It is important to use this unique opportunity to help highlight your business and the legislative solutions to help it prosper.

IFA thanks you for your ongoing activism and participation as we continue our fight for franchising. I look forward to seeing the important advocacy work you accomplish this week!

A handwritten signature in blue ink that reads "Catherine Monson". The signature is fluid and cursive.

Catherine Monson
CEO & President, FASTSIGNS International, Inc.
IFA Chair

Franchises Need Additional Liquidity to Build Off the Success of PPP

OVERVIEW

The CARES Act, and specifically the Paycheck Protection Program (PPP), provided a temporary lifeline to thousands of franchises and their employees, but many businesses continue to face liquidity issues that make meeting upcoming rent payments, payroll, and other obligations a challenge. As local and state governments contemplate additional closures and restrictions due to spikes of COVID-19 cases around the country, we strongly urge the U.S. Congress to provide additional support to local businesses who will face shutdowns through no fault of their own.

IFA believes that Congress should build on the success of the infrastructure built for the PPP, rather than reinventing the wheel. We support a broad, need-based approach to business liquidity, given the vast array of sectors we represent. That approach will ensure that small businesses are treated equally and that resources will be allocated to the businesses that need them the most.

ASKS & TALKING POINTS

Without additional assistance, many businesses will either fail or be overwhelmed by debt in the long term. For these reasons, we are recommending that Congress advance additional policies to provide meaningful relief and liquidity to franchise workers and their families. We need policies that help franchise small businesses retain employees, meet lender obligations, and ensure a safe, clean, and compliant environment for their employees and customers alike.

These policies should include the following:

- A combination of additional loans that can be converted to grants through the Paycheck Protection Program, in addition to long-term, low or zero interest loans to small- and medium-sized businesses in affected industries. Specifically, IFA supports:
 - (1) The Paycheck Protection Small Business Forgiveness Act, which would streamline forgiveness of PPP loans for small businesses
 - (2) The Prioritized Paycheck Protection Program (P4) Act, which would provide additional PPP funding for hard-hit small businesses with 100 employees or less
 - (3) The Relief for Main Street Act, which would complement federal relief efforts for small businesses through state and local emergency grant funding
 - (4) The RESTART Act, which would provide long-term, low interest loans to small- and medium-sized businesses
- Expanded refundable tax credits to keep employees connected with employers, in addition to assistance for unexpected costs related to cleaning supplies and personal protective equipment. These goals are achieved through the following bills:
 - (1) The Jumpstarting Our Businesses' Success Credit (JOBS Credit) Act of 2020, which will enhance the Employee Retention Tax Credit, better ensuring employees can stay connected to their employers during the pandemic
 - (2) The Clean Start: Back to Work Tax Credit, which will create a temporary tax credit to assist business owners who responsibly safeguard their workers and customers during the reopening of the economy
 - (3) The Reopening America by Supporting Workers and Businesses Act of 2020, which will help local businesses rebuild their workforce quickly by turning unemployment benefits into a back-to-work bonus
- Additionally, we support tax credits or other relief to facilitate virtual training of future franchise business owners and employees so that the economy can be jumpstarted when it is safe to reopen everywhere. With franchise inquiries increasing, it is clear the demand for new small business ownership remains high, but challenges training these new owners will restrict growth absent financial support.

Franchises Need Liability Protections as They Reopen Across a Range of Sectors

OVERVIEW

As each state gradually re-opens its economy, small businesses face unprecedented challenges in cleaning their facilities and preparing their workforces for the post-COVID marketplace. But small businesses are already facing lawsuits that allege customers or employees were infected with COVID-19 because of an experience with the business. These lawsuits have claimed negligence, violation of safety and health requirements, denial of hazard pay, false advertising, wrongful death, emotional distress, and other injuries. The threat of expensive litigation will severely impair the small business recovery and has already meant that many businesses will not reopen, impacting both owners and employees alike.

Franchise owners need assurance that they will not face lawsuits if they have complied with relevant guidelines during the crisis and after reopening. Importantly, these liability protections should also preserve the franchise business format by making clear that franchisors should not be held jointly liable for negligence allegations against a franchisee.

More than 7,000 franchise owners, leaders and advocates have already sent a petition to Congress calling for these important protections.

ASKS & TALKING POINTS

During the coronavirus crisis, franchise businesses have been serving as modern-day “Good Samaritans;” feeding essential workers, sanitizing businesses, caring for the sick, elderly and vulnerable, and providing groceries, hardware, supplies and other critical products and services. Given the historic response by Congress and the Administration to keep the economy afloat, it would be devastating to have these same franchise employers face a series of unfair lawsuits as the economy is reviving. These lawsuits would ultimately hurt employees in the long run if business owners are caught up in litigation or forced to close, meaning further job loss and unemployment.

Congress should pass legislation to provide short-term, COVID-19-related, liability protections for small businesses that take all good-faith efforts to combat COVID-19, while ensuring that any individuals harmed by true bad actors retain appropriate legal recourse. Senator John Cornyn (R-TX), Congressman Garrett Graves (R-LA) and Congressman Henry Cuellar (D-TX) are spearheading legislation in each respective chamber of Congress to provide sensible, short-term liability protections.

These bills would protect franchise small businesses by:

- Protecting good faith actors from COVID-exposure liability
- Preempting state law
- Preventing claims against small businesses of contracting the virus, exposure to the virus and other COVID-19-related allegations

Importantly, these bills will not protect businesses from acts of gross negligence. Liability legislation should be targeted to ensure that only businesses who take appropriate precautions and follow applicable guidelines are shielded. Additionally, Congress must ensure that “joint employer” style claims against franchisors and franchisees are included in this legislation. Franchisors are providing best practices and guidance to franchisees regarding health and safety standards. Substantially similar guidance being offered from franchisees to their direct employees should not be used as evidence of joint employment in COVID-related claims.

Now that you know the issues...

**Here's what you need to do to take
action. Don't worry — it's easy!**

Step One: Email Your Members of Congress With the Click of a Button!

Today is the Day to Take Action to Protect Your Business

Congress is meeting NOW to discuss the upcoming coronavirus relief package – so attending the Franchise Action Network (FAN) Virtual Advocacy Day could not be timelier.

As we said, there are two important policy issues Congress needs to hear about from you before discussions conclude. For businesses like ours to thrive during this unprecedented time and in a post-COVID marketplace, we will need:

- Additional liquidity to help franchises retain employees, meet lender obligations and ensure a safe, clean and compliant environment for employees and customers alike.
- Liability protections to shield businesses who take appropriate precautions and follow applicable guidelines.

We encourage you to take action, TODAY, July 22, and make your voice heard. Please urge Congress to support legislation to ensure your business and employees are protected.

The legislative work by the IFA would not be possible without the help of franchise business owners and advocates like you as we bring the local story of our brands to Washington. Now more than ever is the time to stand up, lean in and protect your business.

EMAIL YOUR MEMBERS OF CONGRESS TODAY TO PROTECT YOUR BUSINESS.



CLICK HERE TO SEND EMAIL TO YOUR MEMBERS OF CONGRESS



Make sure you make the voice of franchising heard on social media by tagging your members of Congress and using #FAN2020.

Questions? Contact advocacy@franchise.org.

Step Two: Post on Social Media, Tag Your Legislators, Use #FAN2020!

Now that you've emailed them, reach out to your members of Congress to call for liability protection and financial liquidity. To connect directly via social media with your members of Congress, [click here](#).


**CLICK HERE TO ACCESS
 SOCIAL MEDIA GUIDE**

If you don't know who your members of Congress are, you can find out [on this website](#). The site also includes all social media handles for members of Congress that need to hear directly from you. We encourage you to post as much as possible. In order to make it easy for you to do so, please see sample posts below as well as a short video script that you can record and post to really have an impact! Be sure to include the hashtag #FAN2020 so we know that we are making our voices heard on Capitol Hill.



Sample Social Media Tweets & Posts:



Liability Protections:

- The franchise community supports efforts to provide sensible, short-term liability protection for businesses navigating the new normal amid COVID-19. [@your member of Congress], please help us! #FAN2020
- Franchises shouldn't be penalized if they take precautions to keep employees & customers safe. [@your member of Congress] please provide liability protection for small businesses like mine. #FAN2020
- Liability protection would support franchise small businesses from potential COVID-exposure lawsuits that could put us out of business and further hinder the economy. It would NOT protect businesses from gross negligence. #FAN2020
- .[@your member of Congress] I urge you to pass liability protection for small businesses. #FAN2020

Liquidity:

- Franchise small businesses support a broad, need-based approach to business liquidity that would provide us with meaningful financial relief to stay open and keep employees amid the COVID-19 crisis. #FAN2020
- .[@your member of Congress] I urge you to pass business liquidity legislation today to help franchises survive. #FAN2020
- The franchise community urges [@your member of Congress] to take action to support local businesses. Small business owners request need-based business liquidity to remain open and maintain a safe and clean working environment. #FAN2020
- If [@your member of Congress] provided meaningful relief and liquidity to local franchises in [insert your state], it would allow us to retain employees, meet lender obligations and ensure our businesses' survival. #FAN2020



Sample Video Script

Template:

Hello, my name is [insert name]. I am a small business owner of the [name of franchise] franchise in [city, state]. I currently employ [#] people at [# of franchises] [franchise name] locations throughout [city/state(s)]. My [#] employees depend on me for jobs, but the economic effects from COVID-19 have taken a significant toll on my businesses' revenue. For my [type of business] to overcome this economic downturn, I will need additional financial liquidity assistance and liability protections as I work to reopen safely and responsibly. I strongly urge Congress to consider additional funding for franchise small businesses and offer liability protection as we adjust to the new normal.

Example:

Hello, my name is John Smith. I am a small business owner of the FASTSIGNS franchise in Cleveland, Ohio. I currently employ 60 people at three FASTSIGNS locations throughout the greater Cleveland area. My 60 employees depend on me for jobs, but the economic effects from COVID-19 have taken a significant toll on my businesses' revenue. For my business to overcome the economic downturn, I will need additional financial liquidity assistance and liability protections as I work to reopen safely and responsibly. I strongly urge Congress to consider additional funding for franchise small businesses and offer liability protection as we adjust to the new normal.



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SOCIAL MEDIA GUIDE**

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