



August 6, 2020

The Honorable Mitch McConnell
Speaker Majority Leader
U.S. Senate
Washington D.C. 20510

The Honorable Charles E. Schumer
Minority Leader Minority Leader
U.S. Senate
Washington D.C. 20510

The Honorable Marco Rubio
Chairman, Committee on Small Business &
Entrepreneurship
U.S. Senate
Washington D.C. 20510

The Honorable Ben Cardin
Ranking Member, Committee on Small Business
& Entrepreneurship
U.S. Senate
Washington D.C. 20510

Dear Majority Leader McConnell, Minority Leader Schumer, Chairman Rubio, and Ranking Member Cardin:

We write to you on behalf of our independent franchise owners regarding recent proposals to further help small businesses like theirs during the COVID-19 pandemic. The undersigned brands represent a broad segment of the franchise sector, which employs roughly 8 million American workers at 733,000 locations.

The franchise business model has led to success and upward mobility for both franchise owners and employees in more than 300 business lines and across demographic groups. Indeed, franchising is more diverse than non-franchise businesses: according to U.S. Census data, nearly 30 percent of franchise businesses are minority-owned, compared to 18 percent of non-franchised businesses.

Our franchisees truly appreciate your leadership in Congress's historic response to the COVID-19 crisis. The Paycheck Protection Program (PPP), in conjunction with increased support of our health care system, has enabled many franchise small businesses to remain operational and retain employees.

However, the future for these same small businesses is anything but settled. Continuous operation at reduced capacity – and in many cases, extended business closures – has led to precipitous drops in revenue. These revenue drops, when combined with fixed costs of rent, mortgages, insurance, and increased personal protective equipment and sanitation costs, make the unit economics of small business operation a challenge.

We are pleased there is consensus that Congress should provide additional relief options to small businesses that need it the most. While we support inclusion of a revenue decline threshold for additional relief, we feel that the 50 percent decline as proposed in the HEALS Act is simply too high.

Many small businesses like the ones in our systems operate on slim margins. For them, a revenue decline could mean the difference between staying in business or closing. For their employees, this revenue decline could mean the difference between remaining at work and receiving benefits or joining our nation's too-high number of unemployed people.

For businesses with revenue declines of less than 50 percent – businesses currently excluded from Congress's proposal – access to a second round of PPP funding, and a new, long-term, low-interest loan

program, may prove the lifeline they need to stay afloat throughout the economic recovery. Many of these businesses initially benefited from PPP, but through no fault of their own, remain closed or forced to operate at reduced capacity to protect public safety and health for their employees and customers. This second round of funding and access to these long-term loans is akin to a targeted investment from the federal government into the very businesses where it can make the most difference.

As you consider this important emergency funding, it is also important to begin to focus on the long-term recovery. Enhancing the SBA loan programs with higher guarantees and reduction of upfront fees has proven to be an effective tool in other times of economic uncertainty. SBA lending is critically important to our members and enhancements to programs will ensure small businesses have access to the capital they need at a time when conventional may not be available. In addition, extending the Section 1112 loan payment subsidy of the CARES Act is critical to helping businesses that currently have or are obtaining a new SBA loan continue their business and weather the storm.

America's small businesses – franchise or otherwise – have borne a heavy burden during this pandemic. These businesses, which are part of the fabric of so many communities, have worked diligently to serve their customers, employees, and communities in a clean, safe, and compliant manner throughout the pandemic. On behalf of our franchisees, we encourage you to expand access for relief options to ensure that these same small businesses are eligible for the additional assistance they need.

Thank you for considering our views.

Sincerely,

American Family Care, AL
American Family Care Urgent Care, AL
P3 Cost Analysts, AR
Amazing Lash Studio Franchise, AZ
Assisted Living Locators, AZ
CarePatrol, AZ
Daily Jam, AZ
Massage Envy Franchising, AZ
V's Barbershop, AZ
Archibald's Drive Thru, CA
Aussie Pet Mobile Inc., CA
Big Mamas and Papas Pizzeria, CA
Brain Balance Achievement Centers, CA
California Closets, CA
COIT Cleaning and Restoration, CA
Curves International, CA
Drybar Holdings LLC, CA
Franchise Services, Inc., CA
Home Care Assistance, CA
MADabolic, CA
Mathnasium Learning Centers, CA
PIP Printing, CA
Sir Speedy Printing, CA
Stratus Building Solutions, CA
TeamLogic IT, CA

The Closet Trading Company, CA
The Good Feet Store, CA
The UPS Store, Inc., CA
True REST Franchising, CA
World Gym International, CA
Yoga Six, CA
KKP, CN
Metal Supermarkets, CN
AlphaGraphics, CO
Frenchies Modern Nail Care, CO
Payroll Vault Franchising, CO
PostNet International Franchise Corporation, CO
Royal Aloha Franchise Co., CO
Sola Salon Studios, CO
Wayback Burgers, CT
Big Frog Custom T-Shirts, FL
EventPrep, Inc., FL
HEW fitness, FL
i9 Sports Corporation, FL
Nikita Hair, FL
OrangeTheory Fitness, FL
Paul Davis Restoration, FL
Precision Door Service, FL
PuroClean, FL
RSVP, FL

Signarama, FL
Alloy Wheel Repair Specialists, GA
Carvel, GA
Church's Chicken, GA
Cinnabon, GA
Floor Coverings International, GA
Honey Baked Ham Co., GA
Jamba, GA
M Squared Franchise Consulting, GA
Maid Brigade, GA
McAlister's Deli, GA
Moe's Southwest Grill, GA
Pigtails & Crewcuts, GA
Schlotzsky's, GA
The Coca-Cola Company, GA
Workout Anytime Franchising Systems, GA
Your Pie Franchising, GA
Pancheros Mexican Grill, IA
CD One Price Cleaners, IL
Creative Colors International, Inc., IL
Image One Facility Solutions, Inc, IL
Pivotal Growth Partners, IL
Spring-Green Law Care, IL
Wild Birds Unlimited, Inc., IN
Wings Etc., IN
Nextaff, KS
A&W Restaurants, Inc., KY
FranNet, KY
AeroWest International, LA
Pizza Artista, LA
Cheesy Street Grill, MA
Dunkin' Brands, Inc., MA
FIC Restaurants, Inc., MA
Johnny Rockets, MA
Lapels Dry Cleaning, MA
Image360, MD
Roy Rogers Restaurants, MD
Sign by Tomorrow, MD
Signs Now, MD
Allegra Marketing, MI
Alliance Franchise Brands, MI
American Speedy Printing Centers, MI
At Your Side, MI
Best Life Brands, MI
ComForCare, MI
Detroit Kid City Franchise, MI
Dryer Vent Wizard, MI
Franworth, MI
HOODZ International, MI
Hungry Howie's Pizza and Subs Inc., MI
Jabz Franchising, MI
LaVida Massage, MI
Molly Maid, MI
Mr. Handyman, MI
Sobeck Enterprises, Inc., MI
Great Clips, Inc., MN
Haagen-Dazs, MN
Insty Prints, MN
KidCreate Studio, MN
Miracle-Ear, Inc., MN
Slumberland Furniture, MN
American Poolplayers Association, MO
Fish Window Cleaning, MO
Hair Saloon, MO
BeLocal, NC
Blue Moon Estate Sales, NC
East Coast Wings + Grill, NC
Famous Toastery, NC
Golden Corral Corporation, NC
N2 Publishing, NC
Real Producers, NC
The Salt Suite, NC
Home Instead Senior Care, NE
IHuddle, NJ
Closet & Storage Concepts / More Space Place,
NJ
Eye Level Learning Centers, NJ
K9 Resorts, NJ
Lawn Doctor, NJ
Lightbridge Academy, NJ
UCMAS Mental Math Schools, NJ
Hampton Coffee Company, NY
Home Helpers Home Care, OH
Pet Wants Franchise System, OH
Window Genie, OH
Express Services, Inc., OK
Elmer's Restaurants, Inc., OR
Auntie Anne's, PA
CertaPro Painters, PA
FirstService Brands, PA
GNC, PA
Green Home Solutions, PA
Painting with a Twist, PA
Pillar to Post Home Inspectors, PA

Rita's Franchise Company, PA
Soccer Shots, PA
Adventure Kids Playcare, TX
Aire Serv Heating and Air Conditioning, TX
Bumper Man Inc., TX
Childrens Lighthouse, TX
FASTSIGNS International, TX
Five Star Painting, TX
Franchise Drivers Inc., TX
Glass Doctor, TX
Gold's Gym International, TX
iCode Franchise Inc., TX
Ivy Kids Early Learning Center, TX
Kwik Kopy, TX
Mr. Appliance, TX
Mr. Electric, TX
Mr. Rooter, TX
Neighborly, TX
Rainbow International, TX
Salons by JC, TX
Sport Clips, TX
The Ground Guys, TX
The Lash Lounge, TX
The Woodhouse Day Spas, TX
Twin Peaks Restaurants, TX

Urban Air Adventure Park, TX
Wanna Play Playcare, TX
Xpressdocs, TX
Athletic Republic, UT
Cookie Cutters Haircuts for Kids, UT
InXpress, UT
Lendio, UT
Real Property Management, UT
Abrakadoodle, VA
Archadeck, VA
Conserva Irrigation, VA
FIT20 USA, VA
Home Clean Heroes, VA
Kinderdance International Inc, VA
Mosquito Joe, VA
Outdoor Lighting Perspectives, VA
Outdoor Living Brands, Inc., VA
Ynot Italian, VA
Ben & Jerry's Franchising Inc., VT
EarthWise Pet, WA
Skyhawks Franchise Group, WA
Culver's Franchising System, WI
Taco John's, WY
Myfrii Franchise