



By Electronic Mail

September 16, 2021

The President
The White House
1600 Pennsylvania Ave, N.W.
Washington, DC 20500

Dear Mr. President,

On behalf of the International Franchise Association (IFA) and our members, we write to request your administration listen to a range of stakeholder feedback in order to effectively implement your administration's COVID-19 Action Plan and our shared goal of increasing the number of vaccinated individuals. The franchise community stands ready to partner with your administration and agencies to achieve this goal, but based upon IFA member feedback, there are many questions that still need to be addressed, a small sampling of which are included below.

The International Franchise Association is the world's oldest and largest organization representing franchising worldwide. IFA works through its government relations and public policy, media relations and educational programs to protect, enhance and promote franchising and the more than 733,000 franchise establishments that support nearly 7.6 million direct jobs, \$674.3 billion of economic output for the U.S. economy and 2.5 percent of the Gross Domestic Product (GDP). IFA members include franchise companies in over 300 different business format categories, all of whom have been working day in and day out to protect their employees, while continuing to deliver quality goods and services to American consumers. The franchise model offers a unique entrepreneurial avenue for under resourced people of color across the country, with nearly a 33% minority ownership rate as compared to just 18% of non-franchised small businesses. It is vital that whatever actions are pursued under the COVID-19 Action Plan, we work to minimize placing additional burdens on small franchise businesses across the country.

As your administration and agencies write the ETS, it is also vital to recognize the individual nature of local franchise business owners. First and foremost, franchisees must be recognized as the individual entities that they are, not as part of the brand company with which they license a trademark. Franchise small business owners oversee all employment decisions, including hiring, firing, wages and benefits and will be responsible for complying with any vaccine mandates required by OSHA. It would be patently unfair for these small business owners to be looked at any other way or subject to a different set of rules than similarly-situated non-franchised businesses. We set forth below a number of concerns specific to the franchise business model, and other concerns our members have raised, and which will be applicable to many businesses generally.

Franchise-Specific Concerns

Of paramount concern to many franchisors and franchisees is exactly how the ETS will count employees toward the 100-employee vaccine mandate threshold. Foremost, we think it is crucial that any ETS make clear that franchises will not be "totaled up" across their brand, but rather look to the individual franchise itself to determine employee headcount. Similarly, where a franchisee may own and operate multiple locations, the ETS should make clear that where multiple units are properly maintained and operated as separate corporate locations or entities, each unit should determine its employee headcount with reference to that unit alone. Finally, we urge that the ETS make clear that franchise brands will be protected from joint-employer liability with their franchisees if vaccination requirements are implemented via operating manuals and/or brand standard requirements.

Compliance

- How will remote workers be defined?
- How will an employer require a COVID vaccine?
- Will part-time workers and/or independent contractors be included in determining the 100 employee threshold?
- Can an employer terminate an employee for refusing either a vaccine or weekly testing?

Vaccinations/Testing

- Will there be different standards based on type of vaccine? Differences based on full FDA authorization versus emergency use authorization?
- What is considered proof of vaccination and who is required to confirm it? Who is responsible if proof is falsified, and will the government centralize vaccination tracking?
- Are employees required to be 'fully' vaccinated or is a first shot sufficient and what is timing, i.e. two weeks post second shot?
- If an employee elects once a week testing, what happens if there are insufficient tests available? Is that employee still permitted to work?
- Who will pay for the weekly test? Employer/employee?
- Will there be a single test that is accepted? PCR, rapid test, antigen?
- Will employers be required to provide the test, and may they ask to see the result?
- How long must employers retain test/vaccine records?
- If an employee tests positive, how long must he/she remain out of work?

Implementation/Operational

- When will requirements/ETS be announced and when will compliance be required?
- Will the requirements supersede existing state laws/rules?
- Will there be exemptions? Religious, disability, etc... If so, who will be required to verify exemptions as legitimate?
- What penalties may employers face for potential violations?
- With minors on payroll, what best practices should an employer utilize to engage parents or guardians in both vaccinations and testing?
- Does the requirement extend to vendors coming into the business, if there is a physical location?
- Does the requirement extend to customers coming into the business, if there is a physical location?
- How long is this requirement in place? Will this be an open ended rule or what processes are being put in place to assess when the program could/should end?

The International Franchise Association and our members are prepared to work with your administration and agencies to effectually implement the COVID-19 Action Plan. Our member companies, franchisees and suppliers have been working tirelessly since the onset of the pandemic to keep businesses open as safely as possible, partnering with federal and local officials along the way. We continue to believe cooperation and partnerships between the public and private sector will be instrumental in achieving our shared goals of ending the COVID-19 pandemic.

Sincerely,



Matt Haller
President & CEO
International Franchise Association