



FRANCHISING®
Building local businesses,
one opportunity at a time.

September 28, 2016

The Honorable Paul Ryan
Speaker, U.S. House of Representatives
Washington, D.C. 20515

The Honorable Steve Scalise
Majority Whip, U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kevin McCarthy
Majority Leader, U.S. House of Representatives
Washington, D.C. 20515

The Honorable John Kline
Chairman, U.S. House Committee on Education and
the Workforce
Washington, D.C. 20515

Dear Speaker Ryan, Leader McCarthy, Whip Scalise, and Chairman Kline:

On behalf of the International Franchise Association (IFA), the world's oldest and largest organization representing franchising worldwide, I write this letter in strong support of Rep. Tim Walberg's (R-MI) bipartisan bill, H.R. 6094, the *Regulatory Relief for Small Businesses, Schools, and Nonprofits Act*. This bill addresses some of the concerns held by franchise business owners and their employees with the U.S. Department of Labor's (DOL) new overtime regulation, who are faced with a December 1, 2016 deadline to comply with the DOL's extreme doubling of the salary threshold. A six-month delay of this deadline will help America's 733,000 franchise establishments that employ nearly 7.6 million workers by delaying the implementation of the overtime rule until June 1, 2017, and increasing our chances of compliance with the onerous new requirements.

The DOL's May 2016 final rule raised the salary threshold for exempt employees serving in executive or professional capacities, often known as the "white collar" exemption, from \$23,660 to \$47,476. By more than doubling the current salary exemption threshold and requiring businesses to comply before the end of the year, the DOL has issued a crushing burden to America's franchise business owners. Additionally, the new threshold of \$47,476 will hurt many of the employees it was intended to help by compelling business owners to effectively demote exempt managers to hourly positions in order to manage their labor costs.

As a leading member of the Partnership to Protect Workplace Opportunity, the IFA also has expressed vigorous support for legislation that would go even further in providing relief to franchise businesses owners. This bipartisan legislation, H.R. 5813, the *Overtime Reform and Enhancement Act*, by Rep. Kurt Schrader (D-OR) would provide a four step phase-in of the new threshold and – perhaps most importantly – eliminate the harmful and unpredictable automatic salary threshold increase provision currently included in the rule.

Thank you for your leadership on this key workplace issue. We urge all members of the House of Representatives to vote yes on H.R. 6094.

Sincerely,

A handwritten signature in black ink that reads "Robert C. Cresanti". The signature is written in a cursive, flowing style.

Robert Cresanti
President & CEO
International Franchise Association

CC: The Honorable Tim Walberg
The Honorable Kurt Schrader