



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

February 16, 2017

The Honorable Sam Johnson
U.S. House of Representatives
2304 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Johnson:

On behalf of the International Franchise Association (IFA), the world's oldest and largest organization representing franchising worldwide, I write in strong support of the *Small Business Health Fairness Act*. This legislation will increase small businesses' bargaining power with health insurance providers and ensure a level playing field for smaller entities that want to help their workers and families with health care costs. IFA commends you for your longstanding leadership on this important issue to the franchising community.

Locally owned franchises are America's hidden small businesses, with 733,000 establishments across the country. The entrepreneurs who make up the franchising system directly contribute \$674.3 billion in economic output, accounting for roughly 2.5% of the private sector U.S. GDP.

While the small business community's economic output is great, its negotiating power in the health care market is at a competitive disadvantage. The federal Employee Retirement Income Security Act, which currently permits large corporations and labor organizations to "self-insure" and offer insurance with certain exemptions from state law, does not provide small business with the same advantage. The law must be reformed to empower small employers with the ability to obtain and offer competitively priced health insurance.

For these reasons, IFA strongly supports the *Small Business Health Fairness Act*, which will allow small businesses the opportunity to band together to provide their employees with better, more affordable health insurance coverage. With rising medical costs being a top concern of both individuals and employers, the impact of this increased availability of affordable insurance would be significant.

IFA commends your efforts to provide small businesses with health care options in a thoughtful and constructive manner. We look forward to working with you on this key legislation.

Sincerely,

Matt Haller
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