



December 1, 2008

The Honorable Bobby Moak
The Honorable Chris Ross
Chairmen
The Council of State Governments
Committee on Suggested State Legislation

Dear Representatives:

I am writing to you on behalf of the members of the International Franchise Association (IFA) regarding the Committee on Suggested State Legislation's upcoming consideration of agenda item 05-30A-04B on "Nutritional Information." This is a debate that is currently taking place in many jurisdictions across the country, from city halls and state capitols to the halls of Congress, and I urge you to carefully consider the ramifications on small franchised businesses as you review this issue.

By way of background, IFA is the world's oldest and largest organization representing franchising with a growing membership of more than 1,300 franchise systems, 10,000-plus franchisees and more than 500 firms that supply goods and services to the industry. According to a 2008 study by PricewaterhouseCoopers, there are more than 900,000 franchise establishments in the U.S. that are responsible for creating 21 million American jobs and generating an annual economic output of \$2.3 trillion.

As an association that represents the interests of tens of thousands of franchised small business restaurant owners, IFA is very concerned that recent approaches taken to address obesity rates in the United States are overwhelmingly burdensome and unrealistic for franchised restaurants and fail to effectively provide consumers with the necessary data to make an informed decision. Many franchised restaurants across the nation are already providing nutritional information to their customers, and they are doing so in a manner that best suits the practical circumstances of their operations. Rather than mandates, restaurant owners need laws that provide flexibility to determine how to present written nutritional information so that all restaurant operators have a chance to provide detailed nutrition information, often specific to the kinds of food they serve, in the manner that best meets the individual needs of their customers.

The myth that small business owners will not be impacted by one-size-fits-all menu labeling mandates is false. Franchisees are independent business owners who conduct business under the franchisor's trademark or trade name. Franchisees bear responsibility for the costs of updating their menus and menu-boards, just as they have sole responsibility over their business finances and labor relations. Under laws already implemented in places such as California and New York City, franchisees also take on the liability for ensuring that all standard menu items meet the exact same nutritional profile each time they are prepared, something difficult to achieve when variations from human preparation are put into play. Therefore, I ask you to please oppose any efforts to

Representative Moak and Ross

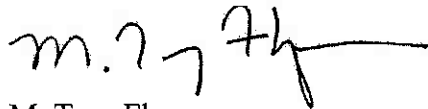
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enact mandatory nutritional disclosure on restaurants and provide liability protection for food establishments.

Again, IFA supports a reasonable nutritional disclosure requirement that accomplishes the goal of improving public health but takes into consideration the realities and burdens of a one-size-fits-all menu labeling mandate. Please do not hesitate to contact me if I can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "m. troy flanagan", with a long horizontal flourish extending to the right.

M. Troy Flanagan
Director, Government Relations
CSG Associate