

March 18, 2020

The Honorable Frank Pallone
Chairman
Committee on Energy & Commerce
U.S. House of Representatives
Washington DC 20515

The Honorable Greg Walden
Ranking Member
Committee on Energy & Commerce
U.S. House of Representatives
Washington DC 20515

Dear Chairman Pallone and Ranking Member Walden:

On behalf of the International Franchise Association (IFA), the world's oldest and largest organization representing franchising worldwide, I write on behalf of the nation's franchising community, which is comprised of over 733,000 establishments that employ over 7 million individuals and contribute \$674.4 billion of economic output to the U.S. economy. Together, we urge Congress to continue working in a bipartisan matter as the country braces for an economic fallout due to the COVID-19 outbreak.

As you are aware, the Federal Trade Commission (FTC) Franchise Rule requires all franchisors to update their Franchise Disclosure Documents (FDDs) within 120 days after their fiscal year-end. While the fiscal year ends on December 31st for most franchise brands, the requirement to update an FDD would be due by April 30th.

As the legislative and economic landscape continues to rapidly change due to COVID-19, many franchises are operating on all cylinders to provide ongoing support to franchisees, to remain compliant with upcoming legislative changes, and to brace for an economic downturn. With these considerations in mind, the FTC's requirement to file an updated FDD by April 30th (for most brands), presents yet another compliance hurdle for the franchise community during this time of crisis.

While the business burdens and near economic future surrounding COVID-19 are certain, we urge you to consider alleviating this compliance burden by encouraging the FTC to delay the filing date of FDDs for at least 90 days from the FTC Franchise Rule's intended date. To date, California, Maryland, and Virginia have implemented similar mandates. This crucial delay will allow brands to allocate more time to their franchisees, strengthen internal operations, and prepare for compliance with the changing legislative landscape as the Administration and Legislature continue to address COVID-19.

Thank you for considering our views. We stand ready to work with you in this critical moment.

Sincerely,



Matt Haller
Senior Vice President of Government Relations & Public Affairs
International Franchise Association