

March 11, 2025

The Honorable Joni Ernst Chair U.S. Senate Committee on Small Business Washington, DC 20510 The Honorable Ed Markey Ranking Member U.S. Senate Committee on Small Business Washington, DC 20510

Dear Chair Ernst and Ranking Member Markey:

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 nominations of Mr. William Briggs to serve as Deputy Administrator of the Small Business Administration (SBA) and Professor Casey B. Mulligan to serve as Chief Counsel for Advocacy.

SBA's lending programs are invaluable to the nation's small businesses, which include approximately 830,876 franchise establishments. These locally owned businesses support nearly 8.8 million direct jobs and provide \$896.9 billion of economic output for the U.S. economy, nearly 2 percent of U.S. Gross Domestic Product.

IFA has long appreciated our strong relationship with the SBA and its support of the franchise sector. The SBA 7(a) loan program is the primary source of funding many franchisees rely on for start-up costs and expansion, and this is especially true for first-time franchisees. Historically, franchises have represented about 20% of SBA loans by dollar volume.

Mr. Briggs' experience in the private sector with the Independent Bankers Association of Texas (IBAT) and previous service in government will be invaluable as he helps to lead the SBA. In particular, IFA worked closely with Mr. Briggs when he was Acting Associate Administrator for the Office of Capital Access during implementation of the Paycheck Protection Program (PPP). The PPP was a vital lifeline to millions of small businesses during the pandemic, and we deeply appreciated his understanding that franchises truly are locally owned Main Street small businesses.

Professor Mulligan boasts an impressive resume in academia and government, and his work on market distortions in particular positions him to be an independent voice for small businesses across the federal government. The Office of Advocacy plays a vital role in standing up for small businesses that are too often overlooked in the regulatory process. For instance, in 2022, the Office expressed concern that the joint employer standard promulgated by the National Labor Relations Board was, "too ambiguous and broad, providing no guidance for contracting parties on how to comply or avoid liability." This new standard, which would have crippled the franchise business model, was eventually overturned by the courts.



Thousands of American small business franchisees rely on the capital and counseling provided by the SBA, and IFA welcomes Mr. Briggs and Professor Mulligan's nominations. We look forward to working with them both to ensure that federal actions are sensitive to the concerns of locally owned franchise businesses.

Thank you for considering our views.

Sincerely,

Michael Layman

Chief Advocacy Officer

International Franchise Association