

Policy Report



MARCH 25, 2021

As the first quarter of 2021 comes to an end, the Government Relations team shares highlights from the legislative world and looks at developing issues that matter to you as franchisees. Below you will find information on the activities of the newly elected Biden Administration and developing federal legislation, as well as updates at the state level and the efforts we have made to represent franchisees across the country. If you have any questions, [email us](#) – we would love to hear from you!

FIRST QUARTER

COVID Legislation

On March 10, the House approved the American Rescue Plan (ARP) - the \$1.9T COVID relief reconciliation bill introduced and supported by President Biden. A wide-array of industries pleaded for assistance, and we were successful in advocating for targeted help for the restaurant industry. The bill, among numerous other provisions, includes the following:

- **\$28.6B Restaurant Revitalization Fund (RRF)**
 - The ARP includes \$28.6B for the RRF, representing the culmination of advocacy, over the past year, in developing an industry-specific solution.
 - Notably, the RRF reflected changes we helped secure to ensure its availability to franchised restaurants that satisfy qualification requirements.
 - The SBA said it expects a phased launch of the RRF program to begin in April, over the next 30 to 45 days.
- **Employee Retention Tax Credit (ERTC)**
 - Eligible restaurants can now access ERTC for both 2020 and 2021 for eligible employee wages as long as these specific payroll wages and/or group benefits were not directly paid with PPP loan funds. We successfully advocated for a two month expansion of ERTC benefits, and employers can access up to \$5,000 per employee for a calendar quarter in 2020, and up to \$7,000 per employee and per quarter for January 1 – March 31 and April 1 – June 30, 2021.
 - [Click here](#) for a summary from the National Restaurant Association on how ERTC can benefit those in the industry.
- **Wage**
 - We were successful in our advocacy efforts to remove the Raise the Wage Act, which would have increased the federal minimum wage to \$15 and eliminated the tip credit.

- **Stimulus Checks**
 - The legislation provides \$1,400 stimulus checks, for qualifying individuals.
 - **Unemployment Benefits**
 - In December Congress passed legislation providing \$300/week in enhanced unemployment benefits, set to expire on March 14.
 - The House passed ARP would increase those payments to \$400/week, expiring on August 29th.
 - The Senate version, which just passed, reduced the \$400/week down to \$300 per week, but extends the benefits through September 6th.
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2021 Federal Issues

While we anticipate another COVID package to develop following the passage of the American Rescue Plan, another main area of focus for the Biden Administration will be that of infrastructure. President Biden's promise to "build back better," when it comes to the country's mobility grid, is expected to consist of climate change provisions, as well as updates to renewable energy policies. Secretary of Transportation Pete Buttigieg will lead the charge on this front.

Another rapidly developing piece of legislation is the Protecting the Right to Organize (PRO) Act, which would effectively eliminate the franchise business model. Under this proposed rule, franchisors could be considered the direct employer of the franchise owners in their system, as well as the restaurant workers those owners employ, taking away the independence of small business owners. The House recently passed the PRO Act, and we will continue to advocate against this bill in the Senate.

Additionally, we expect to see the following issues debated this session:

- Joint Employer
 - Union Organizing
 - \$15 Minimum Wage, or a compromise bill
 - Tax Initiatives
 - Immigration
 - Climate
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2021 State Issues

At the state level, governors and state legislatures will continue to deal with the impact of Covid-19. States continue to take various approaches to COVID policy as some have opted to rescind their mask mandates, and others have renewed their lockdown measures. The Government Relations team continues to work to protect uninterrupted operations via drive-thru, carry-out, and delivery, as well as communicate the ever-changing guidelines, operation restrictions, and relief measures.

Additionally, the following issues continue to develop across the country:

- Labor (minimum wage, paid leave, scheduling, just cause, hazard pay, etc.)
- Delivery Caps and Fees

- Data Privacy
- Joint Employer / independent contractor
- Alcohol to-go and additional regulations

POLITICAL ACTION COMMITTEES

Dunkin' PAC

We are extremely grateful to everyone who invested in the Dunkin' PAC in 2021 so far. Together we have raised more than \$60,000! This would not have been possible without the following Champions of the PAC contributing at the top levels of giving. We invite you to [join this list](#).

- **Michael Batista** (BATISTA COMPANIES)
- **Kenneth Blum** (SMB DONUTS)
- **Robert Branca** (SMB DONUTS)
- **Mark Cafua** (CAFUA)
- **Steve Catalano** (CATALANO)
- **Rick Colon** (Chief Operating Officer – Dunkin')
- **Danny Costa** (COSTA PEREIRA)
- **Konse Skrivanos** (MOUTOUDIS/SKRIVANOS)
- **Luis Garcia** (LOUFRANKTON)
- **Sonny Ho** (SONNY HO)
- **Sid Mody** (BRUNSWICK DONUTS)
- **John Motta** (JOHN MOTTA)
- **Scott Murphy** (President – Dunkin')
- **Charlie Patel** (CHARLIE PATEL)
- **Dinart Serpa** (SERPA)
- **Stephan Shelton** (SHELTON)

Invest in the Dunkin' PAC

- The Dunkin' PAC supports federal candidates for office that are friendly to our industry, and willing to listen to issues that impact small business owners.
- Our PAC is bipartisan and we support candidates based on policy issues, not party. All candidates are put to a vote by the PAC board, which consists of six brand employees and seven franchisees.
- The pandemic has illuminated the role elected officials have on shaping policy that directly impacts your business.
- We must have an independent voice – we cannot rely on trade associations with diverse members and competing interests alone to represent us.
- If you don't have a seat at the table, you're on the menu, and you can guarantee your opponents are eating!

The Dunkin' PAC board has created tiers of giving for franchisees to consider investing at:

- Governor - \$500
- House - \$1,500
- Senate - \$2,500
- Presidential - \$5,000

- Please note: these levels are suggestions and all contributions are voluntary. Further, all PAC contributors are eligible to donate up to the maximum level of \$5,000 in 2021.
 - [Please visit the Dunkin' PAC website here to contribute today!](#)
 - **Password: Dunkin2021!**
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Inspire Brands PAC

The Dunkin' PAC and Inspire Brands PAC are completely separate. Legacy Inspire franchisees may not presently donate to the Inspire Brands PAC online.

The Government Relations team is working to revitalize the Inspire Brands PAC and build its strength for the legacy Inspire brands. If you have any questions, please [email Mike Vanaki](#).

MARCH 24 FRANCHISEE WEBINAR MATERIALS

Thank you to everyone who attended the webinar on March 24 with Inspire Brands and experts from Deloitte covering the latest Covid relief bill as well as updates on the Paycheck Protection Program (PPP), Employee Retention Tax Credit (ERTC), certain state and local Covid relief opportunities, and new legislation impacting the restaurant industry.

The presentation and recording from the meeting will be available on each brand's franchisee portal.

GET INVOLVED

Send in Action Alerts: Be on the lookout for invitations to participate – allowing you the opportunity to express concerns/support for legislation that will impact your business.

Participate in Lobby Days/Store Visits: Meet elected officials and have your voice heard. [Email us](#) to express your interest in participating.

FRANCHISEE HIGHLIGHTS

Throughout the pandemic, franchisees across the country stepped up to support their communities in a time of unprecedented hardship.

- Franchisees like **Clarke Williams**, who donated over 20,000 meals throughout the pandemic and supported Washington D.C. testing sites, did these tremendous acts of kindness to keep their communities running. Here are some other great acts of kindness demonstrated throughout the pandemic:
- In Foxborough, Massachusetts, **Dunkin' and the Foundation** raised a cup to healthcare heroes administering vaccines at Gillette Stadium on February 8 and February 19 by delivering 1,000 servings of Hot Coffee and a cup of pre-packaged MUNCHKINS® donut hole treats for each worker.



- **The LaHaise Group** ran a First Responder Gift Card program, where for every \$25 gift card purchased, Buffalo Wild Wings would not only give the guest an extra \$5 gift card, but they'd also donate an additional \$5 toward buying local first responders meals. In total, the LaHaise Group will donate \$40,000 in meals across their 12 sports bars in South Dakota, North Dakota and Minnesota.



- **Sonic franchisee Kamal Singh** donated meals and drinks to J. Robinson Shelter in Houston as the community faced record-low temperatures and snow this February, and millions of Texans were left without power, reliable water, or food.



QUESTIONS?

The Inspire Brands Government Relations Policy Report is a quarterly newsletter sent to shared services leaders and company and franchise operators to highlight current and emerging business, public policy and political trends impacting the Inspire family portfolio of brands.

Inspire Government Relations advocates on issues at the federal, state and local level. If you have questions or comments on any of the topics discussed in the report, do not hesitate to reach out to govrel@inspirebrands.com.

The Government Relations team is led by [Ashley Coneff](#) - Vice President and supported by [Zuzy Zvarova](#) - Manager, [Allison DeRoberts](#) - Manager, and [Michael Vanaki](#) - Specialist.

**** Dunkin' PAC is a separate segregated fund organized under the Federal Election Campaign Act and was created for the purpose of making contributions to and expenditures on behalf of federal, state, and local candidates and other committees. Any decision to contribute to Dunkin' PAC is voluntary; you have the right to refuse to participate without fear of reprisal. Your decision to contribute or to not contribute will not advantage or disadvantage you or your network. Dunkin' PAC may only receive contributions from U.S. citizens and foreign nationals with permanent residency status in the U.S. Contributions to Dunkin' PAC must be from personal funds and may not be reimbursed by any other source. Contributions are not deductible as charitable contributions for federal income tax purposes.***

This e-mail is for informational purposes only and should not be relied upon as a basis to undertake any specific course of action. It is not intended, or to be construed as, legal advice of any kind. We encourage you to discuss these potential changes with your legal and/or financial advisors to understand how the issues discussed above may impact your individual businesses. Under the franchise agreement, the franchisee is solely responsible for complying with all applicable laws.

