

Association Scores Significant Victory With Passage Of American Jobs Creation Act

Acceleration of the restaurant depreciation and the suspension of the 'Special Occupational Tax' provisions will benefit the industry

The National Restaurant Association chalked up an important victory with the recent passage of The American Jobs Creation Act of 2004 (H.R. 4520), which includes a provision to accelerate the depreciation schedule on improvements to restaurant properties from the current 39½ years to 15 years, generat-

Restaurant buildings are specialized, single-purpose structures, unlike other non-residential properties. The industry-specific design and construction requirements restrict their use to the restaurant industry. For example, restaurants must install a firewall between the kitchen and dining room. Restaurants maintain longer hours than the average business and many are open daily, roughly 18 hours a day.

This intense usage often causes a rapid deterioration in a restaurant building's systems, from its entrances and lobbies to its flooring, restrooms and interior walls.

Another important component included in the bill is a three-year repeal of the SOT imposed on restaurants and other retailers that sell alcohol. This tax—originally implemented to help finance

Continued on page 4

“President Bush is expected to sign the bill into law.”

ing additional cash flow for restaurants. In addition, the bill suspends for three years the Special Occupational Tax (SOT) levied on restaurants and other retailers who sell alcohol. President Bush is expected to sign the bill into law within the next week.

The depreciation provision is for two years only and applies to all restaurants in service as of Jan. 1, 2006. “The Association is pleased that improvements made to restaurants will be treated equally under the tax code, and this is a big first step toward our ultimate goal—permanently reducing outdated depreciation schedules for restaurants as a whole,” said Association Senior Vice President of Government Affairs and Public Policy Lee Culpepper. “The bill does not apply to new construction, however, and we will work aggressively to ensure that an accelerated depreciation schedule for new construction is included in the next tax bill adopted by Congress.”

Restaurateurs Meet With Sen. Reid



Senate Minority Whip Harry Reid (D-Nev.), left, met with members of the Nevada Restaurant Association during the National Restaurant Association's 19th annual Public Affairs Conference. As part of the two-day event, close to 700 restaurateurs visited the offices of representatives and senators to discuss key issues that concern the restaurant industry. For detailed coverage of the conference, log onto www.restaurant.org/paconference/index.cfm.

Association Blasts Cleveland Plain Dealer Article Denigrating Restaurant Jobs

Rapid Response Program rebuttal calls the two-part article a misrepresentation of the industry

Rapid Response

PROGRAM

Through its Rapid Response Program, the National Restaurant Association recently issued a letter to *The Plain Dealer* blasting a two-part article in the paper (“Just Getting By” and “Pot of Gold”) about reporter Leila Atassi’s experience working in a restaurant in the Brook Park community of Cleveland, Ohio. The Rapid Response Program rebuts news stories or programs that are unfair to the restaurant industry, and commends those that fairly depict restaurants.

Both of Atassi’s articles focused on her brief stint as a server in a restaurant, during which time she said she and her fellow servers experienced back pain, low wages and ungrateful customers.

“Atassi misrepresents the industry as a whole by providing a narrow, one-sided glimpse from her short-term (three-and-a-half week) experience, while completely overlooking the rewarding opportunities abundant to so many hard-working professionals in the restaurant industry,” wrote National Restaurant Association President and Chief Executive Officer Steven C. Anderson to Editorial Page Director Brent Larkin.

“As cornerstones of the economy, career and employment opportunities and community involvement, the restaurant industry plays an essential role in Americans’ lives. The \$14.2 billion restaurant-and-foodservice industry in

the State of Ohio plays a vital role to the local economy with its 26,114 restaurants. The restaurant industry is about opportunity and a gateway to success as restaurants serve as the training ground for millions of Americans. More than two out of five adults have been employed in the restaurant industry and more than one out of four adults have found their first job in the restaurant industry,” Anderson continued.

“Salaries for foodservice managers are growing at a rate twice as fast as the median salary for all managerial positions. In addition, the restaurant industry will create 1.5 million new positions between 2004 and 2015. And, as the nation’s largest private-sector employer, the restaurant industry offers positions in a variety of fields, providing quality jobs for nearly 9 percent of those employed in the United States—for a year or a career.

“Our industry is full of positive stories of hardworking individuals who have been loyal to their companies and guests for many years, many having started out in the dish room and advancing to the Board room—all the while providing excellence in guest service and professionalism. I hope next time *The Plain Dealer* will consider a more accurate portrait of the hardworking Americans employed by our nation’s restaurants,” Anderson concluded.



For more information on the Rapid Response Program, log onto www.restaurant.org/press-room

Association, NRAEF Support ‘Dine Out For Disaster Relief Day’

The National Restaurant Association/National Restaurant Association Educational Foundation (NRAEF) encouraged Floridians to dine out in restaurants across the state Oct. 14 for “Dine Out for Disaster Relief Day” to assist communities recovering from the devastating and relentless damage of hurricanes Charley, Frances, Ivan and Jeanne.

Through this initiative—created by the Florida Restaurant Association (FRA) with the help of SYSCO, Office Depot and the Florida Outdoor Advertising Association—more than 1,600 Florida restaurants at press time planned to donate part of their proceeds to the Florida Hurricane Relief Fund.



To learn more, log onto www.flahurricane-fund.org

24-7

The National Restaurant Association serves its members

24 hours a day, seven days a week via the Internet at www.restaurant.org.

Check out the Restaurant Job Bank at www.restaurant.org/jobs

Numbers to Remember

Fax: 202-973-5373

Publication Orders: 800-482-9122

Membership Department: 800-424-5156, ext.5929

Capitol Switchboard: 202-224-3121

Washington Weekly

National Restaurant Association
ISSN 1054-1683

Senior Vice President

Marketing, Communications and Media Relations
Sue Hensley

Senior Director, Member Communications
Pamela Lessard

Senior Graphic Designer
Tim Smith

Published weekly by the National Restaurant Association, 1200 Seventeenth Street NW, Washington DC 20036-3097. (800) 424-5156 or (202) 331-5900. Contact us via e-mail at plessard@dineout.org, or visit our Web site at <http://www.restaurant.org>. \$25 of membership dues covers a one-year subscription to the newsletter. Periodical postage paid at Washington, DC, and additional mailing offices. Postmaster: Send address changes to *Washington Weekly*, National Restaurant Association, 1200 Seventeenth Street NW, Washington DC 20036-3097. USPS 399-300

Do Your Part In The Nov. 2 Elections. GO-Vote!

Visit the National Restaurant Association’s GO-Vote! Election Center to view a presidential straw poll, review a Bush v. Kerry candidate comparison (also see the insert in this week’s issue of *Washington Weekly*) and learn about early and absentee voting options. Remember to GO-Vote on Nov. 2! Log onto www.restaurant.org/government/elections/index.cfm.

Study Says Kerry-Edwards Health Care Plan Would Substantially Increase Costs And Administrative Burdens On Restaurant Industry

Association opposes policies that further encumber the nation's restaurants

The health care policy proposed by the Democratic presidential nominee Sen. John Kerry (D-Mass.) will not help small employers offer health insurance benefits to their employees, according to a study released Oct. 7 by a consortium of trade associations—including the National Restaurant Association—representing more than one million small employers.

The study, “The Business-Specific Elements of the Proposed Kerry-Edwards Health Plan: Endangering Workers’ Jobs and Benefits,” was conducted by Bruce Scott Levinson and Jim J. Tozzi at The Center for Regulatory Effectiveness, a Washington, D.C., think tank, and commissioned by the National Restaurant Association along with the Associated General Contractors of America (AGC), the National Association of Wholesaler-Distributors (NAW), the National Federation of Independent Business (NFIB) and the National Retail Federation (NRF).

The study confirms that, “Availability of health insurance coverage is strongly correlated with the size of the employer,” and identifies “two key reasons why small businesses are less likely than

large firms to offer health insurance: (1) the cost of premiums and (2) the administrative costs associated with offering health insurance.” The study concludes, “The business-specific elements of the Kerry-Edwards Health Plan would, conservatively, impose at least 225 regulatory mandates on businesses that participate in the plan,” the costs of which will be borne disproportionately by small

A significant element of the Kerry-Edwards Health Plan is its requirement that all employers must offer health insurance benefits to all workers.

employers.

“Every study I’ve seen that discusses the administrative expenses associated with employer-provided health plans confirms that these costs are exponentially higher for small employers than for large businesses,” said NFIB Senior Vice President of Public Policy Dan Danner. “To the extent the Kerry-Edwards Health Plan exacerbates this

problem, small employers simply won’t play.”

A significant element of the Kerry-Edwards Health Plan is its requirement that all employers wishing to avail themselves of the plan’s principal benefit—participation in a new federal reinsurance program—must offer health insurance benefits to all workers and not just to those who are permanent full-time employees.

“This requirement alone is likely to substantially increase costs and administrative burdens in our industry,” said Association Senior Vice President of Government Affairs and Public Policy Lee Culpepper.

NRF Senior Vice President for Government Relations Steve Pfister said: “The universal coverage requirement in the Kerry-Edwards Health Plan undermines any incentive small retailers might otherwise have to participate.”

A major conclusion of the study suggests that “economically vulnerable” employers that participate in the Kerry-Edwards Health Plan will be forced to offset any increase in their costs by reducing employee benefits and/or reducing employment.

President Reasserts Support Of Association Health Plans During 2nd Debate

During the Oct. 8 debate between presidential candidates George W. Bush and John F. Kerry, President Bush reassert-



ed his strong support for Association Health Plans (AHPs), which the National Restaurant Association says would lower health-care costs and increase millions of Americans’ access to health insurance by providing increased competition and choices for employers looking for affordable health coverage. Specifically, AHPs would allow small businesses to purchase health insurance in order to take advantage of the same uniform regulatory status, economies of scale, purchasing clout, and administrative efficiencies that large corporations enjoy.

“Let me start with how to control the cost of health care: medical liability reform, for starters, which he’s [Kerry] opposed. Secondly, allow small businesses to pool together so they can share risk and buy insurance at the same discounts big businesses get to do. Thirdly, spread what’s called health savings accounts. It’s good for small businesses, good for owners. You own your own account. You can save tax-free,” said President Bush.



For more information on the AHPs or the Association’s other public policy priorities, log onto www.restaurant.org/government

October 18, 2004

WEEKLY

National Restaurant Association

Association's Cornerstone Initiative Discussed At White House



Staff from the National Restaurant Association and its Education Foundation (NRAEF) met at the White House with James Towey, assistant to the president and director of the White House Office of Faith-Based and Community Initiatives, about the Association's Cornerstone Initiative. The Association program began in 2000 and promotes the restaurant industry as the cornerstone of the nation's economy, career and job opportunities, and community involvement. For more information about the Cornerstone Initiative, log onto www.restaurant.org/cornerstone. One of President Bush's first official acts as president was to create the White House Office of Faith-Based and Community Initiatives. The office is tasked with leading a "determined attack on need" by strengthening and expanding the role of faith-based and community organizations in addressing the nation's social problems. *Pictured outside the West Wing of the White House are Association Director of Community Relations Alyssa Prince, NRAEF Vice President of Communications Ellen Nash, Towey and Association President and Chief Executive Officer Steven C. Anderson.*

Association Scores Victory

Continued from page 1

the Civil War—was widely viewed as outdated and unfair to small businesses. The Congress's Joint Committee on Taxation recommended eliminating the SOT as one way to simplify the tax system.

In addition, House conferees on the legislation voted to drop language added to the Senate bill by Sen. Tom Harkin (D-Iowa) that would have gutted the new Labor Department overtime regulations. The final legislation passed by Congress allows the new overtime rules, which went into effect on Aug. 23, to remain in place.

"The nation's 878,000 restaurants touch the lives of millions of Americans every day and will have an overall economic impact of over \$1.4 trillion in 2004. By allowing restaurateurs to deduct the cost of renovations on a shorter schedule and by eliminating outdated and overbearing taxes that small businesses face, many more will be in a position to grow their businesses and continue to create more jobs," said Culpepper.



For more information on this issue or the Association's other public policy priorities, log onto www.restaurant.org/government

AS A MEMBER OF THE RESTAURANT INDUSTRY, YOU ARE PART OF ONE OF THE LARGEST INDUSTRIES IN THE UNITED STATES. EMPLOYING OVER 12 MILLION INDIVIDUALS AND GENERATING SALES OVER \$440 BILLION, THE RESTAURANT INDUSTRY PLAYS AN IMPORTANT ROLE IN THE PRESIDENTIAL ELECTION. THERE ARE SIGNIFICANT DIFFERENCES BETWEEN PRESIDENTIAL CANDIDATES GEORGE W. BUSH AND JOHN F. KERRY. IT IS CRUCIAL FOR THOSE IN THE RESTAURANT INDUSTRY TO EDUCATE THEMSELVES ABOUT THE IMPORTANT DIFFERENCES BETWEEN THE TWO CANDIDATES AND MAKE AN INFORMED CHOICE.

★ ★ ★ BUSH vs. KERRY a candidate comparison ★ ★ ★

George W. Bush

PREVIOUS TAX CUTS

Supports making permanent his "across the board" tax cuts of 2001 and 2003

ESTATE TAX

Signed into law the 2001 Economic Growth & Tax Relief Act that repealed the Estate Tax

Would make permanent the estate tax repeal that is set to expire in 2010

ASSOCIATION HEALTH PLANS

Supports allowing small businesses to band together to form association health plans (AHPs) to purchase insurance for their employees at group rates

INCREASING COSTS OF HEALTHCARE

Supports additional tax breaks for Health Savings Accounts (HSAs)

FRIVOLOUS OBESITY LAWSUITS

Supports NRA backed legislation that would ban frivolous obesity lawsuits

TORT REFORM

Supports tort reform and caps on punitive damages

CLASS-ACTION REFORM

Wants to move class-action lawsuits from state court to federal court, preventing trial lawyers from "forum shopping"

MINIMUM WAGE

Would consider a wage increase if it didn't hinder small-business or job growth

OVERTIME

Supports Department of Labor's efforts to overhaul outdated and confusing overtime regulations

John F. Kerry

PREVIOUS TAX CUTS

Voted against both the 2001 and 2003 tax cuts

ESTATE TAX

Opposes the permanent repeal of the Estate Tax

ASSOCIATION HEALTH PLANS

Opposes the creation of association health plans, claiming they would increase costs for small businesses and remove important consumer protections

INCREASING COSTS OF HEALTHCARE

Supports a government plan that would allow participating companies to recoup 75% of an employee's catastrophic health care costs above \$50,000

FRIVOLOUS OBESITY LAWSUITS

Has taken no position on the issue

TORT REFORM

Supports "sensible legal reform" to curb "abuses" but has not championed any specific proposal

CLASS-ACTION REFORM

Supports some reform to class-action system but also favors maintaining the rights of groups to pursue litigation

MINIMUM WAGE

Proposes an increase in the minimum wage from \$5.15 per/hr. to \$7.00 per/hr. by 2007

OVERTIME

Opposes the Department of Labor's efforts to overhaul outdated and confusing overtime regulations

Tax Relief

Tax Relief

Health Care

Health Care

Legal Reform

Legal Reform

Workforce Issues

Workforce Issues

NATIONAL RESTAURANT ASSOCIATION



GO VOTE!

GET THE FACTS. MAKE THE CHOICE.



GO-Vote on November 2nd



For more information about the 2004 General Election visit the National Restaurant Association's GO-Vote Election Center at www.restaurant.org/government/elections

Even if you can't make it to the polls on Election Day, make sure your vote does. Visit <http://restaurants.helpingamericansvote.org> today!

To learn more about the candidates' views, visit their Web sites at
George W. Bush: www.georgewbush.com
John F. Kerry: www.johnkerry.com

COMO MIEMBRO DE LA INDUSTRIA DE RESTAURANTES USTED ES PARTE DE UNA DE LAS INDUSTRIAS MÁS GRANDES DE LOS ESTADOS UNIDOS. EMPLEANDO A MAS DE 12 MILLONES DE PERSONAS Y GENERANDO VENTAS DE MAS DE \$440 MIL MILLONES, LA INDUSTRIA DE RESTAURANTES DESEMPEÑA UN PAPEL IMPORTANTE EN LA ELECCIÓN PRESIDENCIAL. HAY DIFERENCIAS SIGNIFICATIVAS ENTRE LOS CANDIDATOS PRESIDENCIALES GEORGE W. BUSH Y JOHN F. KERRY. TODOS, EN LA INDUSTRIA DE RESTAURANTES, DEBEN DE EDUCARSE EN CUANTO A LAS DIFERENCIAS MAS IMPORTANTES ENTRE LOS DOS CANDIDATOS PRESIDENCIALES PARA QUE PUEDAN TOMAR UNA DECISIÓN INFORMADA A LA HORA DE VOTAR.

★ ★ ★ BUSH *contra* KERRY una comparación de candidatos ★ ★ ★

George W. Bush

REDUCCIONES DE IMPUESTOS

Apoya hacer permanente su reducción de impuestos "a través del tablero" de 2001 y 2003

IMPUESTO DE HERENCIA

Firmó en ley el acto del desarrollo económico y reducción fiscal de 2001 que elimina el impuesto de herencia. Haría permanente la eliminación del impuesto de herencia que esta programado a expirar en 2010

PLANES DE SALUD DE ASOCIACIONES

Apoya permitir que las pequeñas empresas se unan y formen planes de salud de asociaciones (AHPs) para comprar seguro para sus empleados a tarifas de grupo

AUMENTO DEL COSTO DE CUIDADO MÉDICO

Apoya la suspensión de impuestos adicionales para las cuentas de ahorros de la salud (HSAs)

DEMANDAS FRÍVOLAS SOBRE LA OBESIDAD

Firmaría en ley la legislación, apoyada por la NRA, que prohibiría demandas frívolas sobre la obesidad

REFORMA DEL AGRAVIO

Apoya la reforma del agravio y límites a daños punitivos

REFORMA DE LA ACCIÓN DE CLASE

Desea mover demandas de acción de clase de las cortes estatales a las cortes federales, previniendo a abogados que buscan "compras de jurisdicción"

SALARIO MÍNIMO

Consideraría un aumento al salario mínimo si no es un obstáculo al crecimiento del pequeño-negocio o al mercado de trabajo

TIEMPO EXTRA

Apoya los esfuerzos del Departamento del Trabajo de revisar las leyes anticuadas y confusas que regulan el tiempo extra.

John F. Kerry

REDUCCIONES DE IMPUESTOS

Votó contra las reducciones de impuestos en 2001 y 2003

IMPUESTO DE HERENCIA

Se opone a la eliminación permanente del impuesto de herencia

PLANES DE SALUD DE ASOCIACIONES

Se opone a la creación de planes de salud de asociaciones, exponiendo que ellas aumentarían el costo para las pequeñas empresas y eliminarían protecciones importantes al consumidor.

AUMENTO DEL COSTO DE CUIDADO MEDICO

Apoya un plan que permitiría que las compañías que participan recuperen del gobierno federal el 75% de los costos catastróficos del cuidado médico de un empleado por más de \$50.000

DEMANDAS FRÍVOLAS SOBRE LA OBESIDAD

No ha tomado ninguna posición respecto a este problema

REFORMA DEL AGRAVIO

Apoya la "reforma legal sensible" para disminuir "abusos" pero no ha ofrecido ninguna propuesta específica

REFORMA DE LA ACCIÓN DE CLASE

Apoya ciertas reformas al sistema de la acción de clase pero también favorece el mantener el derecho de demandar en grupos

SALARIO MÍNIMO

Propone un aumento en el salario mínimo a partir de 2007 de \$5.15 por/hr. a \$7.00 por/hr.

TIEMPO EXTRA

Se opone a los esfuerzos del Departamento del Trabajo de revisar las leyes anticuadas y confusas que regulan el tiempo extra.

Reducciones de Impuestos.

Cuidado médico

Reforma Legal

Fuerza de Trabajo

Reducciones de Impuestos.

Cuidado médico

Reforma Legal

Fuerza de Trabajo

NATIONAL RESTAURANT ASSOCIATION®



GO VOTE!

EDUCATE. DECIDETE.

¡ Vota el 2 de Noviembre!

Para más información sobre la elección general del 2004 visita el centro de la elección de Ve-a-Votar de la Asociación Nacional de Restaurantes en: www.restaurant.org/government/elections

Incluso si no puede ir va a votar el día de la elección, asegurese de que su voto lo haga. Visite <http://restaurants.helpingamericansvote.org> hoy

Para aprender más sobre las opiniones de los candidatos presidenciales visite los lugares internet de su campaña en:

George W. Bush: www.georgebush.com
John F. Kerry: www.johnkerry.com