

provided to prospective investors and critical information on past litigation, business failures and ownership turnover is often withheld or misrepresented.

Federal and State officials report that fraud in franchise sales is widespread and far exceeds their enforcement capabilities. The Federal Trade Commission has reported on several occasions that it receives far more complaints regarding franchise violations than it can pursue and acknowledged that "there are many victims with meritorious complaints, against franchisors, whom State and Federal agencies simply cannot help." And individuals have no right of action under Federal law to protect themselves against even blatant violations of disclosure rules.

In addition, there is a surprising dearth of objective and accurate statistics on franchise business performance that has permitted the franchising industry to promote itself and individual franchise opportunities with inflated and unsubstantiated claims of franchise success intended to make franchises appear uniformly successful and virtually risk free.

The bill I am introducing today, the Federal Fair Franchise Practices Act, addresses all these problems and does so in a manner intended to avoid Government regulation of franchising practices and to enhance private remedies to allow individual franchise owners to protect their legitimate financial interests in a court of law.

H.R. 1717 would promote greater fairness and equity in franchise relationships by establishing minimal standards of conduct for franchise practices, prohibiting the most abusive acts by franchisors, clarifying the legal rights of franchise owners and nullifying procedural devices intended to block available legal remedies.

In addition, H.R. 1717 incorporates basic prohibitions against fraud, misrepresentation, and discrimination elsewhere in Federal law and applies them to franchise sales and business practices. It provides a private right of action for violations of FTC disclosure requirements—something the FTC has requested for 15 years. In addition, the bill provides for the collection of data on franchising, beginning in the 1997 Business Census, to provide the public with comprehensive and more accurate statistical information about franchising and franchise business performance.

A number of important changes have been made in the legislation from the bills I have introduced in prior Congresses. On the critical issue of encroachment by a franchisor on the business of existing franchisees, the bill has been modified to provide franchisors with a number of nonjudicial procedures to address franchisee complaints equitably and without costly litigation. The bill clarifies the obligations of franchisors and franchisees following the acquisition of a franchise system by third parties and it provides State attorneys general with the option of filing suits to protect residents of their State from violations of the act.

Mr. Speaker, franchising has undergone tremendous growth in the past two decades and now dominates our Nation's retail and services sectors. Unfortunately, Federal and State law and regulation have failed to keep pace. Federal guidelines intended to protect the public from false or misleading franchise promotions are sadly out of date and only marginally enforced. Legal rights and standards taken for granted in other business relationships con-

tinue to be debated and denied in franchising arrangements.

It is time Congress acted to provide basic protections in Federal law to discourage fraudulent and abusive franchising practices and to help strengthen the American dream of small business ownership. I believe the proposals I am introducing will constitute landmark legislation. In much the same way that the Wagner Act helped revolutionize labor-management relations in the industrial economy of the 1930's, this legislation can help restore fairness and balance in the growing franchising sector of the services-based economy of the 1990's.

I recommend this legislation to the consideration of my colleagues and I urge its adoption by the Congress.

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#### HONORING WES LUPIEN

### HON. JACK METCALF

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. METCALF. Mr. Speaker, on June 3, the people of Oak Harbor, WA, will honor the man who was instrumental in bringing commercial aviation to Whidbey Island by renaming Oak Harbor Airport "the Wes Lupien Airport."

Wes got out of the Navy in the early 1960's, bought a small grass airport outside Oak Harbor and founded a commuter airline service called Puget Sound Airways, which evolved into Harbor Airlines.

Wes had the runway paved, put up buildings, and made the airport into a very good facility. He was very active in the community as president of the Rotary and an active member of the Navy League and chamber of commerce. Wes was also very involved from the start in a Washington State program to develop tourism.

Tragically, Wes was stricken with Alzheimer's disease about 9 years ago while in his early fifties. It forced him to sell the airline and airport. Wes been out of aviation now for several years. His brave struggle with the disease was the subject of an HBO special "Losing It All."

Thanks to the sound, financial groundwork laid by Wesley Lupien, Harbor Airlines still provides Whidbey Island with its main link to Seattle-Tacoma Airport and recently added daily flights to Olympia, the State's capital.

It's the direct result of entrepreneurs like Wes that we have the strongest and most productive economy in the world. Wesley Lupien is living proof of the strength and perseverance of the American entrepreneur.

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#### BOMA INTERNATIONAL'S PRESIDENT THOMAS B. MCCHESENEY

### HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. COYNE. Mr. Speaker, the Nation's largest organization representing the office building industry has been actively guided during the past 2 years by a native son of Pittsburgh, Thomas B. McChesney, executive vice president, Grubb & Ellis Co./Axiom Real Estate Management, Inc. Now that he is ending his

term as president of the Building Owners and Managers Association International, I wanted to take this opportunity to review his many accomplishments.

Tom was elected to BOMA International's presidency in 1993 and was installed during their annual convention in Baltimore. For the next 2 years, he helped his 17,000 members through the real estate recession and worked tirelessly to see that the current recovery takes hold.

Tom's leadership of BOMA came at a critical time for the industry, and he actively involved himself in a number of issues of direct concern to owners and managers of commercial real estate. He sat before my Committee on Ways and Means to testify on the modification of passive loss rules and on the issue of depreciation for leasehold improvements. In 1993, Congress modified passive loss, and there is discussion underway to adjust the depreciation of leasehold improvements. Tom should know that BOMA's concerns were heard, as they were on many issues.

For one such issue, Tom stood side by side with Representative HENRY WAXMAN and Senator FRANK LAUTENBERG to advance a ban on smoking in the workplace. BOMA has long been involved in promoting good indoor air quality, and Tom has sought to ensure that the issue is addressed appropriately, cost effectively, and immediately. One crucial step, according to BOMA, is to attack the problem at the source. To that end, a ban on workplace smoking has been an important part of BOMA's indoor air quality agenda.

During Tom's 2-year term, BOMA also faced the \$8.1 billion indoor air regulatory proposal at OSHA. Tom has overseen the advocacy efforts, directed the fundraising for defense, and has met with numerous organizations and individuals in seeking to bring reason to OSHA's approach. While we do not know the results yet, you can be sure that Tom's involvement brought credibility to BOMA's side—for he is a practitioner in the field of commercial real estate, he is a professional in the field of commercial real estate; he is a leader in the field of commercial real estate.

Tom has also overseen the implementation of BOMA's strategic long-range plan, bringing the membership from 7,000 to almost 17,000 real estate professionals. He has hosted a year of meetings to coordinate the efforts of the National Real Estate Organizations and has demonstrated his commitment to reaching out within the industry and engaging in strategic alliances with related trade and professional associations to focus the industry's limited sources on critical issues.

Highlighting Tom's term has been his success at assisting the efforts of the 100 local BOMA associations throughout the United States in identifying problems as they surface so that they may be tackled together. Tom has seen those efforts multiply as BOMA addressed issues of concern ranging from telecommunications reform to the Federal Government construction of new office space. He has spent the past 2 years traveling to many local BOMA associations, seeking to actively involve them in all facets of BOMA's mission. As one result of that effort, he instituted a legislative conference program to engage BOMA members in the grassroots approach to lobbying. Majority whip, TOM DELAY, Senate Judiciary Committee Chairman, ORRIN HATCH, and