STOP THE OTHER NRA

Trump and the National Restaurant Association: Scheming to Undermine Wages, Public Health, and Worker Rights

MAY 2017

BY Restaurant Opportunities Centers United
IN COLLABORATION WITH Corporate Accountability International, Every Voice, AND Good Jobs First
When hearing the acronym ‘NRA’ most Americans think of a very visible gun lobby. However, another national trade lobby shares the same acronym – the National Restaurant Association (NRA) – and wields a similar amount of political influence at both the national and local level. The National Restaurant Association is one of the most powerful trade lobbies in the United States, and drives corporate priorities by spending millions to influence policymakers and fight progressive legislation. While the Other NRA claims that it represents 500,000 restaurant businesses, its priorities echo those of the world’s largest food and beverage corporations, and its key leadership includes McDonald’s, Darden (Olive Garden’s parent company), Yum! Brands (Taco Bell, KFC, and Pizza Hut), and Disney.\(^1\)\(^2\) With annual revenues of 100 million, the NRA employs 750 staff and 37 Congressional lobbyists to reshape the restaurant industry in the interests of their leading members.\(^3\) The NRA and its largest members exercise oversized influence over public policy. Over the last 28 years, the NRA and its top corporate members have given over $78 million in disclosed federal contributions, spending $12 million just in the 2016 election cycle.\(^4\) Moreover, the NRA spends heavily on lobbying and draws on revolving door lobbyists straight from the halls of Congress to persuade decision makers to uphold their corporate agenda.

**THE OTHER NRA FOUND A FRIEND IN TRUMP**

This year, with the arrival of the Trump Administration, the National Restaurant Association has gained new sway in Washington, DC to advance its agenda, but has eagerly adopted elements of the Trump Administration’s platform to do so. The NRA’s influence with and adoption of the Trump agenda can be most clearly seen in:

- The failed nomination for Secretary of Labor of Andrew Puzder, head of Carl’s Jr and Hardee’s Restaurants, “Presidential Trustee” of Trump’s Victory PAC, and an “active member” of the NRA

- The recent vote in Congress to repeal the Affordable Care Act, one of the NRA’s top policy priorities, which would deprive up to three million restaurant workers of health insurance coverage

What is The Other NRA?
The NRA's about-face on its previous support for comprehensive immigration reform, replacing it with a call for greater border security, E-verify, and temporary guest workers, coupled with public attacks on immigrant workers

The NRA's efforts to roll-back the will of the people in Maine and Arizona, who eliminated the subminimum wage for tipped workers, through an aggressive “Save Our Tips” misinformation campaign to scare workers into believing a higher minimum wage will lead to a reduction in tips

A funding strategy based on aggressive conflicts of interests, where the NRA receives large payments from local governments, some of which are members of the NRA, for ServSafe food handling safety certification, while lobbying against paid sick days and other public health measures that would mitigate the spread of disease

The NRA has emulated the “two for one” executive order requiring federal agencies to cut two existing regulations for every new regulation in their effort to fight common-sense public health policies such as restrictions on marketing junk food to children, menu labeling requirements, regulations on sodium content and trans fats, and sugary beverage taxes

While the NRA puts on a happy face claiming to support healthy living, social inclusion, and opportunity for all, its money is spent on efforts to lower wages, prevent public health measures, repeal health insurance coverage, and attack women and immigrants. These efforts have a measurable negative impact on millions of people. The NRA has happily embraced the Trump agenda's exclusionary policies attacking women, immigrants, and communities of color, even though the restaurant's workforce is majority women, disproportionately workers of color, and the largest employer of foreign-born workers, including undocumented immigrants.

**TABLE 1**
NRA Members rank in the Fortune 1000

<table>
<thead>
<tr>
<th>Company</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Walt Disney Company</td>
<td>53</td>
</tr>
<tr>
<td>The Coca-Cola Company</td>
<td>62</td>
</tr>
<tr>
<td>McDonald's Corporation</td>
<td>109</td>
</tr>
<tr>
<td>Starbucks Corporation</td>
<td>146</td>
</tr>
<tr>
<td>Marriott International</td>
<td>195</td>
</tr>
<tr>
<td>Aramark</td>
<td>199</td>
</tr>
<tr>
<td>Yum! Brands</td>
<td>218</td>
</tr>
<tr>
<td>Darden Restaurants</td>
<td>371</td>
</tr>
<tr>
<td>Bloomin' Brands</td>
<td>557</td>
</tr>
<tr>
<td>Brinker International</td>
<td>731</td>
</tr>
<tr>
<td>Cracker Barrel Old Country Store</td>
<td>763</td>
</tr>
<tr>
<td>Panera Bread Company</td>
<td>797</td>
</tr>
<tr>
<td>Domino's Pizza</td>
<td>915</td>
</tr>
<tr>
<td>The Wendy's Company</td>
<td>999</td>
</tr>
</tbody>
</table>

**Trump and The NRA**

**THE DISGRACED LABOR SECRETARY NOMINEE**

The Trump administration has been criticized for reneging on promises to its base constituency of working class voters, most recently due to its effort to repeal the Affordable Care Act. Similar criticisms were made about the nomination of Andrew Puzder for Secretary of Labor. Andrew Puzder, a key legislative champion of the National Restaurant Association, was the CEO of CKE Restaurants, the parent company of Carl’s Jr. and Hardee’s restaurants. Puzder was famous for using racy sexual images to increase sales, stating, “I like beautiful women eating burgers in bikinis. I think it's very American.”

Trump first chose Puzder as his pick for Labor Secretary nominee because of the tremendous support Puzder showed Trump during the election. Puzder was named “Presidential Trustee” to the Trump Victory PAC for his role as a bundler and donated $75,000 directly to the PAC, the largest direct contribution of any fast food CEO. In total, Puzder and his wife contributed $626,300 during the 2016 election cycle. Separately, CKE Restaurants, the NRA, and the International Franchise Association spent over $2.13 million on the 2016 election. Puzder’s pay-to-play nomination signaled the Trump Administration’s closeness to the NRA. Puzder’s appointment as Secretary of Labor would have allowed the NRA’s ascendancy into the White
House and the Cabinet, and the NRA was one of the few groups to lobby vociferously in favor of Puzder’s nomination, even over the objections of many of its members. An NRA funded public relations firm belonging to Richard Berman, a former restaurant executive, ran cable TV ads in support of Puzder’s nomination. After the nomination came under fire, the Alaska Cabaret, Hotel, Restaurant & Retailers Association and the Maine Restaurant Association (MRA) sent open letters to Senators Lisa Murkowski and Susan Collins, urging they back Puzder’s nomination. After a barrage of criticism, Michelle Corry, Chair of the MRA’s board of directors publicly posted that the MRA’s letter in support of Puzder was sent without the knowledge or consent of the board or the MRA’s members, and Senator Murkowski noted that her office was flooded by calls opposing the Puzder nomination.

Puzder was a visible opponent of minimum-wage increases, overtime regulations, and the affordable care act, and a vocal proponent of automation. According to Puzder, robots are “always polite, they always upsell, they never take a vacation, they never show up late, there’s never a slip-and-fall, or an age, sex, or race discrimination case.” Under Puzder’s tenure, Carl’s Jr. and Hardee’s workers experienced some of the highest rates in the industry of sexual harassment, wage theft, and preparing and serving food while sick. Puzder was also accused of allowing Carl’s Jr. and Hardee’s to regularly pay workers below the minimum wage and violate child labor laws. In January of 2017 Puzder was named to National Restaurant News’ Power List of the most powerful people shaping the future of foodservice. Due to the publicity these and other failings received, Puzder was forced to withdraw his nomination, and was ultimately removed as CEO of CKE Restaurants. The company marked the occasion by running ads trumpeting that it was time to grow up and sell “food not boobs.”

Here and in other instances, the Trump administration demonstrated a practice of publicly advocating support for America’s workforce while in practice seeking to undermine labor and health protections — a calling card of the Other NRA. In addition, the NRA represents large corporate interests and not the interests of small restaurants around the country, a truth that was demonstrated when restaurants across Maine rebelled at a letter from the Maine Restaurant Association supporting Puzder’s nomination. The National Restaurant Association jumped at the opportunity to ensure its policy agenda was adopted and aggressively pushed by the Trump administration, even when it required circumventing the desires of its members, and leading to one of the first public defeats for the Trump Administration.

REPEAL AND REPLACE

Trump has adopted one of the favored tactics of the NRA — claiming that its policies favor and benefit workers, while undermining workers at every turn. Donald Trump railed against the Affordable Care Act (ACA) yet praised universal health care systems on the campaign trail, and claimed that his health care plan would expand coverage and lower costs for individuals. The actual plan he championed and cajoled Congress to pass, the American Health Care Act (AHCA), will put healthcare out of reach for millions of people with pre-existing conditions. Over 24 million people will lose health insurance coverage according to a preliminary assessment by the Congressional Budget Office if the AHCA becomes law.

The NRA was one of the foremost opponents of expanding access to healthcare through the Affordable Care Act (ACA) and many of the organization’s leading corporate members an-
nounced that they had intentionally cut employee hours to avoid ACA health coverage requirements. The NRA has emerged as a champion of the Republicans’ failed AHCA as a means to limit employers’ health care responsibilities, seeking to strip these three million workers of their health-care. However, according to the NRA’s own lobbying efforts in support of the AHCA, under the ACA “only 59 percent of restaurant employees with health insurance got their coverage through an employee based plan in 2015 – down sharply from 67 percent in 2010.” The majority of workers who gained health insurance coverage did so through their parents, through a spouse, or through Medicaid expansion.

While working people around the country called their representatives to oppose the repeal of the ACA, the NRA publicly called the bill an “important first step,” but has demanded Congress take further steps to eliminate the employer mandate through the reconciliation process, including classifying full time employees at 40 hours per week, and reducing employer reporting requirements. The NRA would like to see the percentage of workers who received coverage through an employee based plan decline even further.

IMMIGRANT WORKERS

Nearly one out of four workers in the restaurant industry is foreign born, and estimates from the Pew Hispanic Center suggest that up to half of these workers are undocumented. The Other NRA used to be a supporter of comprehensive immigration reform, seeking a path to legalize this vast workforce. In order to align itself with the Trump Administration, the NRA’s immigration platform has scrubbed that position from its website and now calls for a national verification system (also known as “E-Verify”), greater border security, and a temporary guest-worker program for restaurants, and publicly attacks workers who seek recognition for the fact that our food system is largely built on undocumented workers.

Along with the calls for a wall along the border with Mexico, one of the most visible actions taken by the Trump administration was a ban on Muslims entering the country that was met by widespread opposition, and ultimately blocked by the courts. The administration also implemented a policy of sowing fear in immigrant communities through raids in public locations that swept up undocumented immigrants previously considered low priority for deportation, and began a series of targeted audits of workers who had years, and at times decades, of work seniority, such as at the Tom Cat Bakery in Brooklyn, NY where over a dozen workers were fired, some of them with sixteen years seniority. Instead of challenging these actions, unscrupulous restaurant employers are using this audit system to fire workers without severance, in particular those who have the most seniority in order to replace them with lower-wage workers. The National Restaurant Association has gone further by publicly calling for a national E-Verify system, effectively a national audit system that would also eliminate penalties for employers. The NRA has also called for greater border security, but adds that this should not impact “legitimate travel and tourism to the United States.” However, although the NRA touts an expected increase in tourism, the latest forecast show
that Trump Administration policies will lead to a 10.6 million decline in visitors, a drop of 7%, leading to a loss of $18 billion and up to 107,000 jobs. The most striking plank of the NRA’s platform is the call for a temporary guest-worker program. Such a program would be ripe for abuse, since it would tie workers to a particular employer who would decide if that worker could remain in the country. Any worker who complained about working conditions could quickly be removed and blacklisted from the program.

In response to these and other indignities, immigrant workers have taken action such as on the Day Without an Immigrant, where thousands of workers stayed home to demonstrate their role in the economy. Restaurant workers at Darden and other major chains walked off the job to march in support of immigrants. In a few cases workers were fired, but most were quickly rehired after being inundated with calls from customers demanding reinstatement. A few, such as the Matchbox Food Group in Washington, DC, took their cue from the National Restaurant Association and refused to rehire their workers, preferring to see immigrant workers as an expendable commodity. Instead of defending its workforce, NRA Vice President of Communications Leslie Shedd said in a statement, “legal immigrants are an important part of the restaurant family. We strongly encourage our members to follow all laws. By encouraging walkouts, these organizations disrupt the workplaces of hard-working Americans who are trying to provide for their families.”

LOWERING WORKING STANDARDS

In 2017, the National Restaurant Association projects a record-breaking $799 billion in industry sales, and expects restaurant employment will grow by 1.6 million over the next ten years. Yet despite the restaurant industry’s continued growth in sales and employment, seven of the ten lowest paid occupations in the country are restaurant jobs.

Low wages in the restaurant industry are a product of decades of NRA lobbying and litigation efforts to cultivate the vulnerability of this workforce by fighting increases to the minimum wage, opposing pay equity proposals, and combating efforts to extend health care coverage through public policy measures like the Affordable Care Act and paid sick leave legislation.

The NRA’s Penchant for Fake News

The NRA has a tendency to cry out that the industry will collapse at the first hint of regulation or a minimum wage increase. Here is a selection of times it falsely yelled that the sky is falling:

SMOKING REGULATIONS

The restaurant industry long claimed that the adoption of anti-smoking regulations would destroy the industry. After Big Tobacco lost the fight to enact anti-smoking regulations, the National Restaurant Association, through its state trade associations, took the lead in halting or repealing smoking bans. These efforts slowed smoking bans from taking hold and added years of carcinogenic exposure to its workers and customers. After the bans were finally enacted, the industry did not suffer any losses and expanded its customer base since non-smokers finally felt welcome.

THE $15 MINIMUM WAGE IN SEATTLE

The NRA claimed and continues to claim that a $15 minimum wage would decimate the industry. In Seattle, year after year, full service licenses in the city have only increased in tandem with the wage increases.

THE $15 MINIMUM WAGE IN NEW YORK

Similarly, in New York State, the industry has gnashed its teeth over the minimum wage increases. However, there as well, full service and limited services licenses have increased with the wage increases. The sky did not fall, as had been predicted.

SAVE OUR TIPS CAMPAIGN

In Maine and Minneapolis, MN, the NRA has scared workers claiming that minimum wage increases will eliminate tips. The Restaurant Association of Metro Washington, DC has filed a Save Our Tip System PAC in Washington, DC, to make the same argument. However, Alaska, a One Wage State without a subminimum wage has the highest rate of tipping of any state in the country, and San Francisco, with a minimum wage moving to $15, has one of the highest rates of tipping of any city, according to the Golden Gate Restaurant Association.

PAID SICK DAYS

In 2011, the NRA scared Denver voters into opposing a paid sick days ballot initiative, claiming it would spell doom for the industry. Since then, multiple cities and states, including California and Massachusetts have implemented paid sick days legislation. Restaurants in those cities and states found out that the sky is still not falling.
OPPOSING INCREASES TO THE MINIMUM AND PAY EQUITY

The NRA has been one of the most vocal and effective opponents of efforts to raise the minimum wage around the country and has devoted special energy to freezing the federal subminimum wage for tipped workers at $2.13. The NRA has also led efforts to oppose recent voter-initiated minimum wage increases in Maine and Flagstaff, Arizona, pushing state and local legislative bodies to exclude tipped workers from the minimum wage increases. In Maine and Flagstaff voters overwhelmingly voted to eliminate the subminimum wage for tipped workers. The National Restaurant Association orchestrated worker opposition to the minimum wage increase in Maine through an AstroTurf Facebook group created by the Maine Restaurant Association called Restaurant Workers of Maine that is administered by restaurant owners and managers. Restaurant owners used captive audience meetings, mandatory meetings in the workplace normally used to oppose a union election, and similar tools to convince servers that they will lose all of their tips if the subminimum wage increases, while also forbidding their staff from discussing their wage with patrons. Several restaurants closed and sent their workers to testify against a wage increase. The NRA spread this false message even though its own data show that the seven states without a subminimum wage outperform the national growth average, and that customers in those states tip the same or more on average than states with a subminimum wage.

One of the restaurant owners who administers Restaurant Workers of Maine, Susan Price Stephenson, “Boss at Pepino’s Mexican Restaurant,” has been actively organizing restaurant workers to oppose minimum wage increases in Minneapolis, Minnesota, which is considering a $15 minimum wage, and to try to roll back minimum wage increases in Seattle, Washington, which already adopted a $15 minimum wage. Both of those cities are in One Fair Wage states and have not had a subminimum wage for tipped workers in decades. In Washington, D.C., another city where voters will consider eliminating the subminimum wage, Kathy Hollinger, President of the Restaurant Association of Metropolitan Washington (RAMW), David Moran, Managing Director at Clyde’s Restaurant Group, and Sam LeBlanc, Financial Consultant at RAMW have registered a committee, “Save Our Tip System,” to build on this model and sow fears that workers will lose their tips if their wage increases. The committee’s initial donations were from RAMW and a restaurant supplier.

Since an overwhelming majority of tipped workers are women, excluding tipped workers from state and federal minimum wage laws facilitates a significant pay equity gap along gender lines. On top of fighting to maintain policies that widen gender pay inequity, the NRA has also lobbied against the Paycheck Fairness Act, which gives women tools to fight pay discrimination.

CONFLICTS OF INTEREST

The Trump Administration has been accused of violating the emoluments clause of the Constitution which prohibits members of the government from receiving payments from foreign governments, due to the conflict of interest presented by representatives of foreign governments staying at, using, or purchasing Trump-branded hotels, restaurants, and real estate. RAISE, the restaurant group associated with ROC-United has joined CREW, Citizens for Responsibility and Ethics in Washington, in a legal suit due to the unfair competitive advantage...
presented by the Trump holdings. Instead of taking action to prevent this violation of the emoluments clause, the NRA has aligned itself with the Trump Administration in extreme and obvious conflicts of interest and violations of ethics rules. Puzder is one glaring example, but its relationship with public health departments is perhaps even more troubling.

The NRA has been one of the most prominent trade groups calling for a complete repeal of the Affordable Care Act, but it has also focused resources on efforts to stop paid sick leave legislation. Currently, 81.5 percent of restaurant workers do not have access to paid sick leave, a situation that facilitates public health outbreaks and is of grave health concern for customers.5 Nevertheless, the NRA consistently argues against policies that offer restaurant workers access to paid sick leave, while pushing preemption laws that limit the ability of localities to adopt paid sick leave legislation.6 Recently, it lobbied aggressively to exclude restaurant workers from paid sick days benefits in Maryland, in an effort to make Maryland the first location in nearly a decade to deny restaurant workers this important health benefit.

While the NRA’s lobbying efforts have the impact of undermining public health, they also receive the bulk of their national funding from their ServSafe food handling certification program, leading to a questionable conflict of interest.60 The NRA is paid by local governments to certify workers in safe food handling practices, then turns around and lobbies those same bodies to oppose paid sick days and other public health measures. In Pennsylvania, the Allegheny County Health Department is a dues paying member of the Pennsylvania Restaurant and Lodging Association (PRLA — the Pennsylvania arm of the NRA), donated funds to the PRLA’s Political Education Committee to educate lawmakers, and contracted with the PRLA for $63,750 per year for food protection manager certification at the same time that the trade lobby was fighting implementation of a restaurant grading system, suing to prevent implementation of paid sick days in Pittsburgh, the county seat, and lobbying to prevent legislation at the county level.61,62,63,64 At the same time the PRLA was being paid by the county to train workers in food borne illnesses and safe food handling, and being given money by the county to educate legislators, it was funding efforts to prevent restaurant workers from obtaining a benefit so they could stay home if they had norovirus or any other communicable disease.

Last year, in Lawrence, MA, the National Restaurant Association contracted a city code inspector to provide ServSafe Certification. The inspector allegedly sold the certification without providing training to the same restaurants he inspected. A total of 442 certificates were fraudulently issued; when the NRA subsequently offered the city certification training for free, only 29 out of 240 people who participated passed the certification test.

HARMING PUBLIC HEALTH

Along with opposing paid sick days, the NRA was one of the strongest opponents of anti-smoking regulations, making claims that the industry would collapse if these now universal health regulations were adopted, and delaying their implementation for years.66 In city after city, as these regulations were adopted, the restaurant industry continued to thrive as people enjoyed a smoke-free environment.67 These years of additional exposure to first and second-
hand smoke needlessly increased the risk of cancer for millions of people. Today, the NRA continues to threaten the health of millions of Americans by providing a leading voice opposing valuable and necessary health regulations.

**FIGHTING RESTRICTIONS ON MARKETING JUNK FOOD TO CHILDREN**

The NRA has used its political influence to oppose public policy measures to limit junk food marketing to children. At the federal level, the NRA has pushed back on guidelines to ensure that food marketed to children meets basic nutritional requirements. At the state and local level, the NRA has opposed proposals to restrict companies from offering toys in kids’ meals that do not meet basic nutritional requirements.68,69

**OPPOSING MENU LABELING**

The NRA has energetically opposed legislative efforts to enhance labeling requirements on restaurant menus. The NRA sued New York State for its attempts to establish labeling requirements, and has pushed guidelines that preempt state and local labeling requirements, narrowing consumer’s ability to make informed dietary choices.70

**CHALLENGING RESTRICTIONS ON SUGAR, SODIUM, AND TRANS FATS**

The NRA has been an aggressive opponent of public policy efforts to regulate foods that have negative public health impacts. This has involved attacking efforts to limit soft drink sizes, opposing regulation of trans fats, and blocking federal action that would have placed mandatory restrictions on sodium levels in processed food.71,72 All of these actions have a measurable effect on public health — the NRA’s efforts to derail these three measures have the potential to negatively impact millions of lives over time.

➤ The implementation of a trans fat ban in and around New York City led to a 6.2% decline in hospitalizations for myocardial infarction and stroke, compared to other high-density urban counties.73 Over 1.5 million individuals suffer acute myocardial infarction annually, so the elimination of trans fats has the potential to positively impact over 100,500 individuals per year.74

➤ The National Institute of Health has cited that eighty percent of consumers’ sodium intake currently comes from processed foods and that therefore regulation of the food industry is critical for reaching “upper tolerable” levels of sodium intake. Lowering sodium intake measurably reduces blood pressure, and reduces the risk of death from stroke and coronary heart disease.75

➤ The implementation of a 10% soda tax in Mexico led to a 5.5 percent reduction in the consumption of sugary beverages in the first year and a 9.7 percent reduction in the second year, which is projected to lead to 189,300 fewer incidences of type 2 diabetes, 20,400 fewer strokes and myocardial infarctions, and 18,900 fewer deaths over a ten year period.76 A 25% soda tax led to a 21% decrease in the consumption of sugary beverages in Berkeley, California, with a similarly expected positive outcome on public health.77
**McDonald's** is the largest restaurant corporation in the NRA, the largest fast food corporation in the world by revenue, and the second largest by number of stores. McDonald's has nearly 37,000 restaurants in 120 countries, of which 85 percent are franchised. In the U.S., McDonald's owns over 14,000 stores, over 90 percent of which are franchised. In 2016, the corporation had an operating income (profit before taxes) of $7.75 billion and $85 billion in total systems sales, including both corporate owned and franchised restaurants.78

McDonald's is the second-largest private employer in the world, employing 1.9 million people directly and through its franchise system.79 The corporation has historically used (and continues to use) franchising to deflect criticism about its abusive labor practices. For example, in 2015, McDonald's announced that it was raising pay to $1 above minimum wage for only company-owned stores, a mere 10 percent of stores in the U.S.80 The year before this misleading announcement, the National Labor Relations Board found that McDonald's Corporation could be held jointly accountable for its franchisees' abusive labor practices.81

McDonald's has been subject to significant worker complaints, including for sexual harassment,82 unsafe working conditions,83 and failure to pay overtime, provide meal breaks, and maintain accurate pay records,84 among others. It has also been the target of the Fight for $15 campaign, among others, because of its labor abuses, from paying poverty wages to undermining unionization.85 This has resulted in a growing call from investors, workers, and parents both publicly and in McDonald’s annual shareholder meeting.86

Despite these public allegations and lawsuits, McDonald’s continues to position itself as pro-worker. To maintain that image, McDonald’s advances its political agenda through its membership in the NRA. Over the years, the NRA has blocked progress toward ensuring workers are paid fairly, battling minimum wage increases, and paid sick time legislation.87

**CEO PAY**

In fiscal year 2016, current McDonald’s CEO Steve Easterbrook took home $15.36 million, an 800% raise over the past two years.88 McDonald's executive compensation structure has been the subject of challenges by shareholders.89

**POLITICAL INFLUENCE**

In the last two full election cycles (2013-2016), McDonald’s made $1,197,250 in contributions to federal candidates. In the time period from 2011 to 2016, the corporation spent $12.3 million on federal-level lobbying activities.
The NRA and its leading members have made $78.8 million in federal contributions to political candidates since 1989 and spent $262.4 million on lobbying over the last two decades. The NRA itself spent $14.7 million in federal contributions, and $38.5 million in lobbying. Other top contributors in the NRA’s ranks include The Walt Disney Company at $19.7 million in federal expenditures and $76.2 million in lobbying, The Coca-Cola Company at $11.2 million and $71 million, respectively, and McDonald’s Corporation at $8.2 million and $17.9 million. Other corporate giants include Darden Restaurants (parent of Olive Garden and LongHorn Steakhouse), with $10.2 million spent on lobbying and $4.2 million in federal contributions, and Yum! Brands (parent of Taco Bell, KFC and Pizza Hut) with $17.5 million in lobbying and $2.2 million in federal contributions (see Table 2).90

The revolving door between Congress and K Street has achieved notoriety in recent years as Washington’s version of insider trading. Since 2008, the NRA has super-sized its investment in revolving-door lobbyists, moving from 6 revolving door lobbyists in 2008 to 28 in 2016, and from 15 overall lobbyists to 37 overall in 2016. Today, revolving-door lobbyists make up over 75% of the NRA’s lobbying corps, up from 40% in 2008 (see Figure 1).91

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>National Restaurant Association</td>
<td>$14,699,125</td>
<td>$38,530,000</td>
</tr>
<tr>
<td>The Walt Disney Company</td>
<td>$19,716,713</td>
<td>$76,211,991</td>
</tr>
<tr>
<td>The Coca-Cola Company</td>
<td>$11,222,513</td>
<td>$70,953,322</td>
</tr>
<tr>
<td>McDonald’s Corporation</td>
<td>$8,231,663</td>
<td>$17,858,514</td>
</tr>
<tr>
<td>Starbucks Corporation</td>
<td>$943,099</td>
<td>$8,198,000</td>
</tr>
<tr>
<td>Marriott International</td>
<td>$8,152,473</td>
<td>$15,410,000</td>
</tr>
<tr>
<td>Aramark</td>
<td>$889,343</td>
<td>$3,780,142</td>
</tr>
<tr>
<td>Yum! Brands</td>
<td>$2,249,751</td>
<td>$17,525,766</td>
</tr>
<tr>
<td>Darden Restaurants</td>
<td>$4,220,898</td>
<td>$10,233,880</td>
</tr>
<tr>
<td>Bloomin’ Brands</td>
<td>$2,312,795</td>
<td>$699,098</td>
</tr>
<tr>
<td>Brinker International</td>
<td>$2,606,136</td>
<td>$2,465,000</td>
</tr>
<tr>
<td>Panera Bread Company</td>
<td>$158,200</td>
<td>$30,000</td>
</tr>
<tr>
<td>The Wendy’s Company</td>
<td>$3,431,750</td>
<td>$553,500</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$78,834,459</td>
<td>$262,449,213</td>
</tr>
</tbody>
</table>

FIGURE 1
Number of lobbyists working for the NRA93
SOURCE: WWW.OPENSECRETS.ORG
1 DARDEN RESTAURANTS

Darden is the dominant presence in the full-service restaurant sector, with more than 1,500 locations that serve more than 320 million meals per year. Along with its Olive Garden restaurants, which can be found throughout the United States, the company owns six smaller chains: LongHorn Steakhouse, Capital Grille, Bahama Breeze, Seasons 52, Eddie V’s and Yard House. In 2014 Darden sold the Red Lobster chain of seafood restaurants. In fiscal year 2016 Darden generated $375 million in profits on revenue of $6.9 billion.

Darden, which has about 150,000 employees, has been embroiled in numerous controversies over its labor practices and is a leading opponent of workplace reforms such as paid sick days. It has paid out several million dollars to settle lawsuits concerning the failure to pay overtime and requiring off-the-clock work, and additional class actions are pending.

Through its leadership in the National Restaurant Association, Darden has fought against improvements in the minimum wage, especially for tipped employees. In states such as Florida, Darden officials were reported to have pressed legislators to pass laws pre-empting local efforts to improve wages and working conditions.

There have also been allegations that Capital Grille has engaged in a pattern of racial discrimination, including the denial of better-paid server and bartender jobs to non-white workers. In 2009, the U.S. Equal Employment Opportunity Commission announced that Darden’s Bahama Breeze chain would pay $1.3 million to settle allegations that managers at its restaurant in Beachwood, Ohio had subjected 37 black workers to repeated overt racial harassment. In addition to the monetary relief, the chain signed a three-year consent decree requiring it to improve its anti-discrimination practices throughout the country. In 2015 the federal EEOC sued Darden for age discrimination at its Seasons 52 restaurants; the case is pending.

$ CEO PAY

In fiscal year 2016 chief executive Eugene Lee, Jr. received annual compensation totaling $6.1 million as well as realizing more than $4.2 million in value from the exercise of stock options and vesting of stock awards granted in previous years.

POLITICAL INFLUENCE

In the last two full election cycles (2013-2016) the Darden political action committee made $476,000 in contributions to federal candidates. In the period from 2011 to 2016 the company spent $5.4 million on federal lobbying activities.
2 DINEEQUITY

Formerly known as IHOP Corporation, DineEquity is the parent company of the IHOP chain of pancake-focused restaurants that began in 1958, as well as the Applebee’s chain of full-service grill and bar casual dining restaurants. The latter was acquired in 2007, and the DineEquity name was adopted the following year.

DineEquity operates throughout the United States and in more than a dozen foreign countries, with about 2,000 Applebee’s and 1,700 IHOP locations that employ a total of about 200,000 workers. Nearly all of the restaurants are franchise operations. In 2016 the company had $98 million in profit on revenues of $634 million.

Applebee’s is among the restaurant chains accused of not paying minimum-wage rates for untipped work. In 2014 a group of former employees of one of the chain’s franchise operators received a $2.7 million settlement over the issue. Other class action lawsuits involving Applebee’s workers are pending. Some IHOP franchisees are facing legal actions concerning overtime and minimum wage issues.

Some Applebee’s franchisees have also faced charges of sexual harassment. In 2011 one operator in North Dakota paid $1 million to settle allegations of this kind brought by the U.S. Equal Employment Opportunity Commission.

$ CEO PAY

In FY2015 then-chief executive Julia Stewart received annual compensation totaling $5.8 million as well as realizing more than $12 million in value from the exercise of stock options and vesting of stock awards granted in previous years. Julia Stewart resigned from her post as of March 1, 2017.

POLITICAL INFLUENCE

In the last two full election cycles (2013-2016) the DineEquity political action committee contributed $18,500 to federal candidates. In the period from 2011 to 2016 the company spent $1.1 million on federal lobbying activities.

3 BLOOMIN’ BRANDS

Bloomin’ Brands is one of the largest full-service restaurant companies, with four chains: Outback Steakhouse, Carraba’s Italian Grill, Bonefish Grill, and Fleming’s Prime Steakhouse and Wine Bar. Its 1,500 locations, which are mostly company-owned, can be found in 48 states and about 20 other countries. In 2016 Bloomin’ had adjusted net income of $147 million on revenues of $4.3 billion.

Formerly known as OSI Restaurant Partners, the company was acquired in 2007 by a private equity group led by Bain Capital. The owners staged an initial public offering in 2012, and Bain sold the last of its holdings in March 2015.

In 2014 a federal court conditionally certified a class action lawsuit alleging that Outback Steakhouse improperly required unpaid off-the-clock work by employees. The company settled the case for $3.2 million. In December 2016 Outback tentatively agreed to pay $2.4 million to settle an overtime class action case involving kitchen managers.

In 2009 Outback Steakhouses had to pay $19 million to settle a class action lawsuit brought by the U.S. Equal Employment Opportunity Commission alleging sex discrimination against thousands of women employed at its corporate-owned restaurants nationwide with regard to terms and conditions of employment as well as opportunities for advancement. In 2010 a Fleming’s Prime Steakhouse in Scottsdale, Arizona had to pay $248,750 to settle a sexual harassment case. In 2013 Outback had to pay $65,000 to settle a disability discrimination lawsuit filed by the EEOC on behalf of employees of a restaurant in Phoenix.

$ CEO PAY

In 2016 chief executive Elizabeth Smith received annual compensation totaling $5.5 million and realized $3.8 million upon the vesting of previous stock awards.

POLITICAL INFLUENCE

In the last two full election cycles (2013-2016) the Bloomin’ Brands political action committee contributed about $1 million to federal candidates. In the period from 2011 to 2016 Bloomin’ spent $451,000 on federal lobbying activities.
**BRINKER INTERNATIONAL**

Brinker International is the parent company of the Chili’s Grill & Bar casual dining chain (founded in 1975) as well as the smaller Maggiano’s Little Italy chain. A bit over half of the 1,600 Chili’s locations are company-owned, as are all of the 51 Maggiano’s locations. In fiscal year 2016 the company, which sold its majority interest in Romano’s Macaroni Grill in 2008, had profits of $200 million on revenue of $3.2 billion.

Like other older casual dining chains, Chili’s has been struggling with the tendency of consumers to opt either for cheaper, faster options or more sophisticated, upscale choices.

In a class action case brought against Brinker, the California Supreme Court ruled in 2012 that employers in the state had to provide uninterrupted meal and rest breaks. The case was later settled for about $44 million. Other overtime and minimum wage suits against the company are pending.

In 2011 a federal appeals court upheld a lower court ruling that Chili’s had unlawfully required its servers to share their tips with expediters.

In 2004 Chili’s was faced with a spate of lawsuits stemming from a salmonella outbreak at one of its suburban Chicago locations. In early 2016 a Maggiano’s in Bellevue, Washington was closed after a suspected norovirus outbreak.

**CEO PAY**

In fiscal year 2016 chief executive Wyman Roberts received annual compensation totaling $4.6 million as well as realizing $1.2 million in value from the exercise of stock options and vesting of stock awards granted in previous years.

**POLITICAL INFLUENCE**

In the last two full election cycles (2013-2016) the Brinker political action committee contributed about $247,000 to federal candidates. In the period from 2011 to 2014 Brinker spent $320,000 on federal lobbying activities.

**CRACKER BARREL**

Cracker Barrel Old Country Store, Inc. is the parent company of about 640 Cracker Barrel full-service restaurants in 43 states, with the largest concentration in the Southeast. The locations, all company-owned, serve “home-style country food” and sell food, apparel, and housewares through their gift shops. In fiscal year 2016 the company (also known as CBRL Group) had profits of $189 million on $2.9 billion in revenue.

In the early 1990s the chain was at the center of a controversy over employment policies that were said to discriminate against gay and lesbian workers. The company announced that it would eliminate discriminatory policies but continued to score low in ratings compiled by groups such as the Human Rights Campaign. The company later faced charges of discriminating against African-American customers. In 2004 it settled a lawsuit brought by the U.S. Justice Department by signing a consent decree requiring it to adopt extensive non-discrimination policies. In 2006 it agreed to pay $2 million to settle a case brought by the Equal Employment Opportunity Commission on behalf of 51 workers at three restaurants in Illinois who said they had been subjected to racial and sexual harassment.

In recent years Cracker Barrel has also faced lawsuits alleging that it improperly denies overtime pay to employees such as associate managers who perform non-exempt work. In 2015 the cases were consolidated, and the company agreed to a settlement whose terms were not immediately announced. In its 2015 10-K filing Cracker Barrel said it had recorded a provision of about $3.5 million for the settlement.

**CEO PAY**

In fiscal year 2016 chief executive Sandra Cochran received annual compensation totaling $6.6 million as well as realizing $8.1 million in value from the vesting of stock options granted in previous years.

**POLITICAL INFLUENCE**

In the last two full election cycles (2013-2016) the Cracker Barrel political action committee contributed $111,500 to federal candidates. In the period from 2011 to 2015 Cracker Barrel spent $250,000 on federal lobbying activities.
The National Restaurant Association, as one of the most powerful trade lobbies in the United States, exercises over-sized influence over policymakers by spending millions to advance their corporate agenda. Central to the NRA’s political agenda are efforts to prevent or delay legislation that raises wages for restaurant workers, especially those who are paid the tipped subminimum wage. The NRA also uses its influence to oppose measures that increase access to paid sick leave for restaurant workers and to obstruct efforts to improve public health by increasing menu transparency. Diners, restaurant workers, employers, and policymakers should reject the NRA’s corporate agenda and promote an alternative path for the restaurant industry, based on ensuring fair treatment for restaurant and supply chain workers.

POLICYMakERS SHOULD:

➤ Raise the minimum wage for all workers, and eliminate the subminimum wage for tipped workers.

➤ Immediately stop taking financial contributions from the National Restaurant Association and its member corporations.

➤ Reduce the power of wealthy special interests and empower everyday people by passing legislation like the Government by the People Act that would allow candidates to run competitive campaigns for office on the strength of their grassroots support combined with limited public funds to match their small donations. This would make our elected officials more accountable to their constituents rather than trade lobbies like the NRA, and would allow for public policy that benefits workers, not just CEOs and their big-money trade groups.

EMPLOYERS SHOULD:

➤ Enhance job quality by increasing wages and benefits, ensuring that workers in all positions can support themselves and their families.

➤ Adopt benefits such as paid sick days that allow workers to take care of themselves and their families while avoiding spreading illness to customers.

➤ Terminate their membership in the NRA to avoid financially supporting policies that negatively impact our economy, our health, and our environment.

➤ Join RAISE, a peer community of hundreds of ‘high road’ restaurateurs collectively working toward better wages and working conditions in the restaurant industry.

CONSUMERS SHOULD:

➤ Support responsible restaurant owners who provide livable wages, benefits, and opportunities for women to advance.

➤ Let employers know that they should not participate in the National Restaurant Association, which opposes sensible regulations that increase public health and aim to reduce obesity.


48 Restaurant Workers of Maine Facebook Group Admins. Retrieved from https://www.facebook.com/groups/1001953320310389/


50 Based on conversations with over 500 restaurant workers in Maine.

51 See notes 40 and 44, above.


54 See note 39, above.


92 See note 90, above.

93 See note 90, above.
STOP THE OTHER NRA

Trump and the National Restaurant Association: Scheming to Undermine Wages, Public Health, and Worker Rights