

# Report

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JUNE 2010 • VOLUME 6 • ISSUE 6



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## CALL TO ACTION: Reform Immigration Law

### Dear fellow NRA member and restaurateur,

I am the grandson of immigrants. My father's parents left Ireland with nothing but a sixth-grade education and hopes for a better life. After my grandfather died, my grandmother scrubbed floors to feed her children. The kids worked to help out.

My father joined the Navy Air Corps at 17, fought in the South Pacific and attended college on the GI Bill. He went to law school at night while selling ads for the Yellow Pages. Almost 20 years ago, he retired as the CEO of one of the regional Bell phone companies.

I am the oldest of eight children. All of us had the opportunity to live in a country where initiative, ambition, hard work, education and a little luck have led to varying degrees of success — mine in the restaurant business. Our work, building upon the work of so many immigrants, their children and their grandchildren, is the foundation of the country we have today.

Today, things are more complicated. Our immigration system is badly broken. The National Restaurant Association has long advocated common-sense reform that secures our borders, creates a fast and reliable employment-verification system, provides an employment-based visa program that meets the future demand for workers when U.S. workers aren't available, and creates a path for qualified, screened undocumented people to gain legal status. The Association's board of directors recently reviewed and reaffirmed this longstanding policy.

The Association believes Congress must develop a comprehensive immigration-reform solution. The Association is a leading participant in a business coalition that works closely with bipartisan leaders in Congress to develop sensible immigration reform. Sens. Charles Schumer (D-N.Y.) and Lindsey Graham (R-S.C.) have been working for months to draft a comprehensive bill.

Addressing our immigration system is an economic necessity for our industry. Our nation's nearly 1 million restaurant locations and their millions of employees have much at stake. Failure to find a solution will have severe ramifications.

By 2020, the restaurant industry is projected to employ 14 million people — an increase of 1.3 million jobs over the next 10 years. During that same period, the U.S. labor force is projected to increase only 8 percent, and the number of teenagers and young adults entering the workforce is expected to decline by 4 percent. That signals a serious worker shortage and a sharp increase in labor costs.



“Addressing our  
immigration system  
is an economic necessity  
for our industry.”

The restaurant industry has a long history of welcoming immigrants and providing needed employment. We support efforts to enforce our borders while protecting employers who are trying to do the right thing. We also support finding a realistic pathway toward legal status for those undocumented workers who are here. The process must ensure a level playing field for those who are here and those whom we look forward to welcoming.

Although it's not certain whether Congress will vote on reform before the November elections, we need to keep up the pressure to sensibly overhaul our nation's broken immigration system. Please contact your lawmakers and ask them to support sensible immigration reform. Access our action center at [www.restaurant.org/immigration](http://www.restaurant.org/immigration).

Our industry, our country and future generations of Americans are depending on us.

Sincerely,

**Michael C. Gibbons**

President, Mainstreet Ventures Inc., Ann Arbor, Mich.  
Chairman, National Restaurant Association

THIS MONTH

**Association presses House on 'swipe fee' changes**

NRA urges lawmakers to address interchange fees as part of financial reform bill. *Page 3*

**Vermont enacts labeling law**

Vermont enacted a new menu-labeling mandate as other jurisdictions drop similar proposals or rescind existing laws. *Page 3*

**NRA Show: all about business**

The NRA Show and the International Wine, Spirits & Beer Event attracted more than 58,000 registrants from 120 countries. *Pages 4, 5*

**ProStart instructor part of nutrition initiative**

Chef Andy Bacigalupo to participate in the latest aspect of a White House nutrition campaign. *Page 6*

**Lure new customers with off-premise business**

Many restaurateurs are investing in mobile carts, kiosks and food trucks to build brand awareness and increase sales. *Page 7*



**Success depends on standards, training**

Award-winning Washington, D.C., steakhouse manager

inspires excellence, passion for restaurant industry. *Page 8*

# State Associations Advocate for Restaurants over Oil Spill Fallout



Restaurant associations from states along the Gulf of Mexico are working on behalf of their members as effects of the BP oil spill evolve.

State restaurant association leaders from Louisiana, Florida, Mississippi and Alabama are providing continuous information about the oil spill to members.

The restaurant associations also are speaking out in national media interviews about the spill's effect on the hospitality industry.

In Florida, hotel occupancy rates were down 30 percent in May, restaurant tables empty, and charter boats remained in port, reports Carol Dover, president and CEO, Florida Restaurant and Lodging Association. Florida's tourism industry brings in \$60.9 billion in travel spending and \$3.65 billion in sales tax and employs almost 1 million people.

"As one of the state's largest economic engines, it was critical our industry step up to the plate to immediately counter misinformation," Dover says.

Dover has led hospitality and tourism briefings in Pensacola and Key West and met with Florida Gov. Charlie Crist and

local tourism leaders to reassure potential domestic and foreign visitors.

The Louisiana Restaurant Association is working on its members' behalf to reassure the dining public about the safety of the state's seafood.

The state association is working with regulatory agencies to ensure that all food that reaches Louisiana restaurants is safe. It also formed a coalition with the Louisiana Seafood Promotion & Marketing Board, New Orleans Convention and Visitors Bureau and local chefs to address safety questions.

The Alabama Restaurant Association offers resources on the oil spill, and the Mississippi Hospitality & Restaurant Association is helping members get the word out that the state's beaches are open for business.

For more information about the oil leak, business recovery and Florida tourism, visit [www.frla.org](http://www.frla.org). For talking points about Louisiana seafood safety and other resources, visit [www.lra.org](http://www.lra.org). For the Alabama perspective, visit [www.alabamarestaurants.com](http://www.alabamarestaurants.com). The Mississippi Hospitality & Restaurant Association is at [www.msra.org](http://www.msra.org).

## House Approves 15-Year Depreciation Extension

The House of Representatives recently voted to approve legislation that includes a one-year extension of the 15-year depreciation schedule for restaurant improvements and new construction.

The extension would be retroactive to Jan. 1 and apply through Dec. 31. The provision also applies to retail and leasehold improvements.

The Senate is expected to take up the bill this month. The legislation includes extensions of other tax provisions that expired at the end of last year.

Unless Congress acts, restaurants must depreciate the cost of improvements and new construction over 39½ years.

The National Restaurant Association continues to work for a permanent 15-year depreciation schedule for restaurant improvements and construction.

"The restaurant industry needs certainty when it comes to the 15-year depreciation schedule," says David Koenig, the Association's tax and profitability director.

Otherwise, it is difficult to plan upgrades to dining rooms, kitchens and infrastructure.

# In Brief

## HEALTH CARE

### Learn How New Law Will Affect Your Business

The National Restaurant Association is offering a free webinar on how the Patient Protection and Affordable Care Act will affect the restaurant industry and individual businesses. The free seminar will be offered twice: at 2 p.m. June 24 and July 14. It will cover the implications for companies of various sizes and what operators can do to prepare. Visit [www.restaurant.org/events/webinars](http://www.restaurant.org/events/webinars) to sign up for this and other upcoming webinars, as well as access audio archives of previous webinars to help enhance your business.

## LEGAL

### White House Wants High Court To Scrap Review of Bay-Area Case

The Obama administration wants the Supreme Court not to review the Golden Gate Restaurant Association's appeal of a San Francisco health care mandate. In a brief to the court, the Solicitor General said the high court's review isn't warranted because of the new health care law. The 800-member association wants the court to determine whether federal law preempts the city's universal health care ordinance. Under the law, private companies with at least 20 employees must provide prescribed levels of health insurance benefits or contribute to the cost of the city-run health care program. Employers began paying into the program in January.

## TAXES

### D.C. Soda Tax Returns

The Washington, D.C., City Council voted to approve a 6 percent tax on non-alcoholic beverages with natural or artificial sweeteners. The tax replaces a previous plan to tax sugar-based soft drinks 1 cent per ounce. Soft drinks are considered grocery items and are not subject to the city's sales tax. The new tax is expected to bring in \$8 million, \$6.5 million of which would fund the city's Healthy Schools Initiative. The tax — which will apply to diet drinks as well as other drinks — doesn't affect drinks sold in restaurants because those are subject to the city's meals tax.

# Vermont Enacts Menu-Labeling Mandate

Vermont enacted a new menu-labeling mandate in May as other jurisdictions are dropping similar proposals or rescinding existing laws.

The move came two months after Congress passed a federal nutrition-disclosure standard as part of the new health care legislation.

Under the Vermont law, chain restaurants with at least 20 units nationally must provide calories on menus and menu boards.

The federal standard requires chain operations to post calories on menus and provide additional nutrition information through other means, such as posters, brochures and kiosks.

The National Restaurant Association is working with the Vermont Hospitality Council on compliance issues.

It's also working with restaurant associations in California, Oregon, New Jersey, Maine and Vermont to help them educate lawmakers about how the new federal law supersedes state laws.

Elsewhere, the Seattle-King County (Wash.)

Health Board has changed its menu-labeling law to comply with the new federal nutrition-disclosure standard.

Under the proposal, companies subject to the county law could choose to comply either with the county's rules or the federal standard enacted in March. King County was one of the earliest localities to impose menu-labeling requirements. The law went to effect for most chains last August, but a few were subject to it a year earlier.

In Massachusetts, the health department said it would rescind menu-labeling rules set to take effect Nov. 1, noting that the federal law preempts state rules.

The agency needs to hold a hearing before it can officially rescind the mandate.

The Nassau County (N.Y.) government was the first jurisdiction to repeal its menu-labeling law after the new federal standard was enacted.



# Association Urges House To Retain 'Swipe Fee' Changes

As Congress debates financial reform legislation, the National Restaurant Association continues to urge lawmakers to include a measure that would address interchange fees and contractual restrictions related to payment cards.

A coalition that includes the Association, 30 state restaurant associations and 200 other organizations sent a letter to members of the House of Representatives, asking them to include the measure in the final bill.

The measure would lower some debit-card fees, make swipe fees more transparent and give card-accepting merchants more flexibility to set minimum and maximum limits for

credit and debit card payments.

The Senate voted 64 to 33 May 13 to include the proposal in the financial reform bill.

Interchange fees are among restaurants' greatest operating expenses. Merchants pay about \$48 billion in interchange fees a year.

Many people don't realize the many fees merchants pay or that interchange fees and related contractual obligations benefit banks and card companies at the merchants' expense.

The Association has been working for years with the Merchants Payments Coalition to address interchange fees.

Get more information at [www.unfaircreditcardfees.com](http://www.unfaircreditcardfees.com).

# ‘It’s a Business Show, and Pe

**T**wenty years ago, Mark Sanchez was a first-time exhibitor at the National Restaurant Association Restaurant, Hotel-Motel Show. He returns year after year, offering restaurant operators bulk spices and chilies from around the world. Known as the Chile Guy, Sanchez was among the more than 1,700 exhibitors at this year’s NRA Show.

“It’s a business show, and people in the restaurant industry come.”

This year’s Show, which ran May 22 through 25 in Chicago, and the two-day International Wine, Spirits & Beer Event, attracted more than 58,000 registrants from 120 countries, a 6 percent increase in the number of attendees from 2009.

The increased attendance demonstrates that restaurant operators see the NRA Show and the IWSB Event as the premier venues to discover products, services and information to grow their businesses.

Sanchez said the energy of the Show suggested the restaurant industry was bouncing back from the recession. Attendees seemed optimistic about the economy, he says.

“There have been a lot of people, and everyone is very excited,” says Michaela Lozza, a spokeswoman for Koppert Cress, a Lake Success, N.Y., company that exhibited micro greens and edible flowers in the Organic & Natural Pavilion.

In addition to the Organic & Natural Pavilion, the NRA Show’s 480,000 square-foot exhibit space featured several new pavilions, including those that focused on gluten-free food, green design, food trucks and the Association’s Conserve Solutions Center. Also new was the World Culinary



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2



3

1 Chef and restaurateur Marcus Samuelsson prepares caramelized scallops, spinach and carrot salad, seared blue fin tuna and curry-almond potato salad with Jeremy Hanlon, the winner of the NRA Show’s Hot Chef Challenge. Samuelsson recently won Bravo TV’s “Top Chef Masters 2.”

2 Bill Nye the Science Guy shows the science behind power-cleaning equipment that earned a Kitchen Innovations Award.

3 Attendees and exhibitors crowd the McCormick Place concourse for a foodie flash mob dance routine.

Showcase, where well-known chefs performed high-energy, interactive cooking demonstrations.

In one demonstration, Marcus Samuelsson, famous for his restaurants, cookbooks and TV appearances, cooked with Jeremy Hanlon, who won the NRA Show’s Hot Chef Challenge. Samuelsson says the NRA Show is a great way to connect with fellow restaurant owners and chefs.

“It brings the community together. We learn and we evolve

and we meet our colleagues. I enjoy coming because this is my community.”

Exhibitors offered the latest food and beverage trends, energy-saving equipment, high-tech payment and ordering software, and eco-friendly packaging. They also offered products and services to help restaurants master operational challenges, including human resources issues, and comply with regulations, such as the federal

nutrition-disclosure standard.

Education sessions and demonstrations also offered advice for handling nutrition-related issues. Chef Jeffrey McClure, director of culinary services for Sodexo USA, offered tips to create appealing kids’ options.

“Don’t be afraid to think outside the box,” he says. And, “keep your meals simplistic, delicious and nutritious.” When you do that, kids will be open to learning new things about food

# People in the Industry Come'



**4** Jerald Chesser, hospitality management professor, California State Polytechnic University, cooks with University of South Carolina senior Kaylee Crane. Chesser was honored at Salute to Excellence, the premier fundraiser for the National Restaurant Association Educational Foundation's ProStart and scholarship programs. Crane is a former ProStart student.

**5** Charlie Rose interviews Rick Bayless (Frontera Grill, Topolobampo) at the keynote event.

**6** Swirled potatoes on a stick, a must-visit booth at this year's Show.

**7** Chef Spike Mendelsohn (Good Stuff Eatery, Washington, D.C.) signs cookbooks.

**8** Tony Abou-Ganim, author, "The Modern Mixologist," creates culinary cocktails.

and make decisions about their food that they will carry with them long past their formative years, he says.

For food safety, emergency preparedness, process flow and menu development challenges, restaurant consultants and exhibitors offered behind-the-scenes solutions for improvement or cost-savings.

In the Kitchen Innovations Pavilion, exhibitors offered state-of-the-art equipment to help save operators money and

eliminate waste. They also addressed safety concerns. For example, the Henny Penny Co. offered a fryer that automatically filters the oil, so employees don't have to lift heavy containers.

Another product in the KI Pavilion addressed a major restaurant concern: cleanliness. Ecolab's Scrub-n-Go cordless floor scrubber and vacuum sucks up water and debris in one movement. It cleans and reduces the chance of slips and falls in half the time it takes to mop, according to

the company.

At the International Wine, Spirits & Beer Event, seasoned beverage-alcohol leaders shared best practices on generating beverage-alcohol profits in restaurants. The IWSB took place May 23 and 24 in a separate area in McCormick Place.

Visit [www.restaurant.org/show](http://www.restaurant.org/show) for a list of exhibiting companies. Audio recordings of many Show sessions are available at [www.dcporder.com/nra](http://www.dcporder.com/nra).

**See you next year!**



**NRA SHOW 2011**  
**MAY 21-24**  
McCORMICK PLACE, CHICAGO

# ProStart Instructor Part of School Nutrition Initiative



ProStart students at the Bay-Arenac Career Center in Michigan will do more than study culinary arts and hospitality management next fall. They also will help educate elementary school students, teachers, administrators and foodservice employees about healthful food choices.

Their teacher, Chef Andy Bacigalupo, is part of the Chefs Move to Schools initiative, the latest aspect of a White House campaign to educate children about food and nutrition. Participating chefs adopt schools in their communities.

The National Restaurant Association, Share Our Strength, and American Culinary Federation are partners in the initiative.

As one of about 700 chefs at a June 4 kick-off ceremony at the White House, Bacigalupo networked with chefs from around the country and toured the White House vegetable garden.



Left: First Lady Michelle Obama welcomes 700 chefs to the White House. Right: ProStart teacher Chef Andy Bacigalupo takes advantage of a rare opportunity to tour the White House grounds.



“It’s an opportunity to be part of history,” he says. “Nutrition and education go together. Children who haven’t had a healthy meal aren’t going to learn to their potential.”

Bacigalupo teaches the National Restaurant Association Educational Foundation’s two-year ProStart curriculum to about 110 students. The students come from 21 high schools for morning or afternoon classes at the integrated district’s career center. They also run an in-house educational restaurant, Blooming

Chefs, which is open to the public. Some drive 90 miles a day to participate in ProStart, Bacigalupo says.

Before school let out for the summer, Bacigalupo tapped 45 students for a task force to develop their Chefs Move partnership. The students, who plan to meet weekly throughout the summer, will come up with a plan to improve elementary school nutrition. They also surveyed 500 students from their home high schools about healthful options they’d like to see in their cafeterias. Students asked

for smoothies, fruit cups, salads and paninis made with fresh produce.

The task force also wants to set up educational gardens and create a mini Iron Chef-style competition for middle and high school students, Bacigalupo says. The ProStart students also will work with foodservice staff from their schools to develop healthful, affordable food options, such as chicken lettuce wraps.

Nearly 1,000 chefs and 500 schools have signed up to participate in Chefs Move to Schools. The Department of Agriculture is administering the program.

The Association encourages chefs and cooks to volunteer their time and expertise to get involved and will help facilitate that involvement.

“Chefs play a critical role in influencing our diets and eating habits,” says Association President and CEO Dawn Sweeney. “They inspire trends and cooking styles, bringing out the best in our food. Chefs are leaders in their communities. They can help improve childhood nutrition as creators of restaurant and foodservice menus.”

To sign up or learn more, visit <http://healthymeals.nal.usda.gov/schoolmeals/Chef/ChefsForm.php>.



## Excellence in Culinary Education

In Chicago, students from Olathe District Schools of Kansas are all business at the May 22 Salute to Excellence, the National Restaurant Association’s premier fundraiser for scholarships and the ProStart program. They prepare a dish that helped them win the National ProStart Invitational in May in San Diego, Calif.

# How to:

## Lure New Customers with Off-Premise Business

**D**rive traffic to your restaurant by enhancing your off-premise options. Many of your colleagues are investing in mobile carts, kiosks, food trucks and other means to build brand awareness and increase sales.

Some entrepreneurs see carts, kiosks and trucks as a way to enter the restaurant industry or expand their operations without spending hundreds of thousands of dollars to build a new store, says Jason LaGrange, president, Cart Works Inc.

“People are looking for lower investments,” says LaGrange, who exhibited his Englewood, Colo., company’s mobile carts, bars, buffet counters and coffee counters at the recent National Restaurant Association Restaurant, Hotel-Motel Show in Chicago. His restaurant customers use the carts to introduce their food to potential new customers at supermarkets, arenas, commencements and high school sporting events.

“Mobile food is stirring things up,” says Ray Villaman, founder of Mobi Munch, a San Francisco consulting company for the food truck industry. Villaman moderated a panel of food truck operators and advocates at the NRA Show and participated in a new Food Truck Spot pavilion with partner Chef Ludo Lefebvre. The pavilion featured Lefebvre’s new customized truck from Los Angeles and the Streetza Pizza truck from Milwaukee, as well as companies that make and equip trucks or support the mobile food truck industry.

Here are few tips to start or enhance your off-premise presence:

- **Make sure you have a business plan and are familiar with regulations covering your catering operation, cart or mobile truck.** Some mobile truck operators have failed because they didn’t anticipate the licensing, regulatory, staffing and operational challenges, says Matt Geller of the Southern California Mobile Food Vendors Association. Others didn’t know how to set prices according to supply costs, he says.

- **Plan for the challenges unique to your business, such as POS systems that work on the road or security of cart or food truck staff.** “It’s 100 percent harder than I ever anticipated,” says Tiffany Kurtz, owner, Flirty Cupcakes, Chicago. “I learned so many things I never thought I would have my hands on,” including vehicle maintenance.

- **Get social.** Drum up business for your catering operation, cart or food truck through simple, inexpensive marketing on social networks. Use Facebook, Twitter, Foursquare or other networks to create a fan base and let people know that you’re handing out supermarket samples or setting up a cart or truck at a local sporting or community event. Some mobile truck operators have such a large fan community that they rely on customer votes to determine the day’s locations.

The payoff: As customers hang out around the trucks, waiting for their food, they interact in ways unimaginable in conventional



Chef Ludo Lefebvre’s new mobile food truck (above) at the NRA Show’s Food Truck Spot pavilion. Streetza Pizza’s Scott Baitinger shares tips to build off-premise business (right) at an education session at the Show.



restaurants, says restaurant consultant Aaron Noveshen, a partner in Mobi Munch. “It’s about having fun, eating delicious food and connecting with people,” he says. “Social media is a big part of that.”

- **Ask your suppliers if they offer products or services to help your new operation.** NRA Show exhibitor Thermohauser of America traditionally is known for its pastry bags and accessories, but sales of its lightweight, foldable, insulated transportation boxes have increased in recent years, says Scott Kuniewicz, sales and marketing manager. Many restaurants are launching catering operations to increase business, he notes. Others start with a cart, then expand into catering, he says.

- **Develop partnerships with your customers.** Scott Baitinger, who assembles and bakes pizza to order in his Streetza Pizza truck, gets locally grown vegetables for his toppings from urban customers. He stops the truck at their homes, picks up the vegetables, puts them on the pizzas and serves

the pizzas back to them, Baitinger told the Association’s Marketing Executives Group in May.

- **Don’t overlook curbside take-out, delivery or retail food sales.** Nearly three in 10 adults say take-out food is essential to the way they live, according to Association research. Forty-six percent of adults say they would use curbside take-out from a tableservice restaurant, and 54 percent indicated a desire for home or office delivery. About a third of family- and a quarter of casual- and fine-dining operators say they offer packaged food for retail sale.

Order audio versions of NRA Show education sessions to learn more about off-premise options and the mobile food truck craze. Visit [www.dcporder.com/nra](http://www.dcporder.com/nra) to order CDs or MP3s.

## FOOD FOR THOUGHT

# RAMMY Award-Winner: Success Depends on Standards, Training

## Manager of the Year inspires excellence, passion for restaurant industry

*To ensure standout service, in-depth food and beverage knowledge and an exemplary guest experience, Mark Politzer invests in extensive training — for his staff and himself. The general manager of BOURBON STEAK in Washington, D.C., recently received recognition for his commitment to high hospitality standards: the Restaurant Association Metropolitan Washington named him manager of the year at its RAMMY awards gala.*



Mark Politzer

do. I liked restaurants best.

### LEARNING OPPORTUNITIES:

I like to move, and I like to train, so I took advantage of management training opportunities in London, the south of France and Florida. In 1999, I joined the Mandarin Oriental Hotels' year-long training program. Working in housekeeping, as a bellman, a bartender and checking in guests allowed me to see all aspects of the operation.

### GETTING ESTABLISHED:

When I finally got a real job — instead of getting paid to train — I worked with the Mandarin Oriental in San Francisco and London. In 2004, I opened CityZen in the Mandarin Oriental in Washington, D.C. It was a very rewarding four years, and we received a lot

of recognition.

### SUCCESS SECRET:

A big part of our success at BOURBON STEAK is training. A long time ago, I noticed if a manager's not excited about teaching, the restaurant will struggle. So we have one manager who acts as a teacher for new hires. The other managers and I cover for him when new people start, so he can sit with them, classroom style, full-time for eight days. He goes through our training manual chapter-by-chapter. On the fourth day, I meet with them to get feedback, sort of like a guidance counselor. That helps determine whether the manager needs to revisit certain topics.

### SEEKING EXCELLENCE:

We want employees to get inspired from Day 1. I try to make work fun for everyone who works for me and

around me. But I also want us to put our best foot forward, to push the industry forward.

### BEST POLICY:

Over the years, I've learned to be open and honest with guests, with chefs, with staff. We have to acknowledge when we fail and say what we're going to do about it, instead of tiptoeing around it and hoping guests won't notice.

### PASSION PAYS:

Our main challenge is finding people who are passionate specifically about restaurants, not just food and beverage. It's a lifestyle choice, not a 9-to-5, or even 8-to-6 job. Restaurants are triple that. Very few people want to do that. But if you're not passionate about the restaurant industry, customers can see through it.

— As told to Linda Busche