



March 30, 2020

The Honorable Steven Mnuchin
Secretary of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

Dear Secretary Mnuchin:

As you work to implement the recently-enacted Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136), I write on behalf of the American Society of Travel Advisors (ASTA) and our member companies across the country to offer any assistance the Department of the Treasury may require in implementing the Act's provisions as they relate to the travel agency industry.

By way of introduction, ASTA was established in 1931 and currently represents over 13,000 domestic travel agency and allied travel companies. Our members range in size from independent home-based advisors to storefront travel agencies to large travel management companies such as Carlson Wagonlit and BCD Travel to household-name online agencies such as Expedia. Travel advisors – online, “brick and mortar” and many hybrid business models in between – play a critical role in the broader travel and tourism industry. Travel agencies are responsible for the sale of the majority of airline tickets in the U.S., selling close to 830,000 air tickets *per day* in 2019¹ and are the primary distributors of cruises (66 percent of the market) and tour packages (68 percent).² As you might imagine, due to the coronavirus crisis and its impact on travel, new business has largely come to a halt in the past few weeks and layoffs and agency closures have begun in earnest. As of March 19, 77 percent of ASTA members surveyed predicted they will be out of business in six months or less if current conditions hold.

As you know, under Section 4003(b)(1) of the CARES Act, the Department is authorized to make up to \$25 billion in loans and loan guarantees for passenger air carriers; eligible businesses performing inspection, repair, replace, or overhaul services; and ticket agents (as defined in section 40102 of title 49, United States Code). That statute defines a ticket agent is: “[a] person that as a principal or agent sells, offers for sale, negotiates for, or holds itself out as selling, providing, or arranging for air transportation.” While this definition clearly encompasses brick-and-mortar, online and hybrid travel agencies (of whom there are 15,000 retail locations as of the Census Bureau’s last count), in 2005 the U.S. Court of Appeals expanded the interpretation to

¹ Airlines Reporting Corporation (ARC): [2020 Sales Statistics](#).

² Phocuswright: [U.S. Travel Agency Distribution Landscape: 2016-2021](#).

include entities known in the industry as Global Distribution Systems (GDSs) that only provide information rather than directly sell air tickets.³

While we expect the majority of our membership to avail themselves of other relief options in the CARES Act over the next few weeks – the Paycheck Protection Program (Section 1102) in particular – given the scale of the disruption to our part of the travel industry we believe there will be intense agency interest in the Section 4003(b)(1) loans and loan guarantees. This interest will have to be balanced with that of the passenger carriers’ and repair stations in Section 4003(b)(1) as well as with the remainder of the U.S. business community with regard to the even larger allocation of funding under Section 4003(b)(4).

As such, we offer any assistance you might need specific to Section 4003(b)(1) as you balance the competing interests. For decades, ASTA has had a robust industry and consumer travel research functions; we regularly conduct market analysis and market sizing to inform our membership development efforts; and count most (though not all) of the larger travel agencies - those most likely to apply for 4003(b)(1) funding - as longtime association members. Lastly, in the mid-1990s ASTA helped distribute a \$86 million court settlement related to airline commission cuts to its membership. These assets and this prior experience we would put at your disposal as you work through expected implementation challenges in the weeks and months ahead.

While it will take years for the travel agency industry to recover from this crisis, we believe several provisions of the CARES Act will help speed that recovery and put travel agencies in a position to serve clients once the economy rebounds.

We thank you for your critical role in crafting that package and for otherwise laying the groundwork for our eventual recovery. As stated above, we stand ready to provide any information necessary to assist with the Department’s implementation of the CARES Act.

Yours Sincerely,



Zane Kerby
President & CEO
American Society of Travel Advisors (ASTA)

³ *Sabre Inc v. DOT*, 429 F.3d 1113 (D.C. Cir. 2005).