

April 7, 2022

U.S. House of Representatives Washington, D.C. 20515

Dear Representative:

On behalf of the American Society of Travel Advisors (ASTA) and the more than 160,000 Americans who work at travel agencies across the country, I write to ask for your support of the Relief for Restaurants and Other Hard Hit Small Businesses Act of 2022, the amended version of H.R. 3807. Given the severity and longevity of the financial losses suffered by our members and other travel-reliant small businesses, passage of this legislation is imperative to getting these businesses back on their feet and contributing to our country's economic recovery.

In normal times, travel agencies – online, "brick and mortar" and many hybrid business models in between – play a central role in the U.S. travel and tourism industry. In 2019, travel agencies sold the majority of airline tickets in the U.S. – close to 830,000 air tickets *per day* – as well as two-thirds of cruises and 68 percent of tour packages. According to the latest data from the U.S. Census Bureau, there are close to 15,000 retail travel agency locations in the U.S. employing over 108,000 people, plus an additional 60,000 self-employed travel advisors. Ninety-eight percent of these businesses are small according to the Small Business Administration's size standards, and over two-thirds of them are owned and operated by women.

As a result of the COVID-19 pandemic and the governmental response to it, this business and the revenue associated with it came to an almost complete halt in March of 2020 and remained there for a number of months. Since then, we have seen a succession of viral variants and complex, ever-changing government restrictions on and warnings against travel. As a result, our sector's recovery has been painfully slow – with average travel agency revenue levels still down 71 percent compared to 2019 according to ASTA member surveys. This state of affairs threatens to leave the traveling public without access to the critical services advisors provide, the value of which has only become more evident as travelers grapple with ever-changing travel rules.

Overall, the COVID-19 pandemic has cost the travel industry over \$730 billion in lost spending. According to Tourism Economics, domestic business travel spending was expected to be 50 percent below 2019 levels in 2021 and 24 percent below 2019 levels in 2022. Similarly, international travel spending was expected to be 78 percent below 2019 levels in 2021 and 28 percent below 2019 levels in 2022. Tourism Economics also forecasts that without targeted federal policies to accelerate the return of business and international travel demand, these sectors will not fully recover until at least 2024.

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Since nearly the beginning of the pandemic, ASTA has advocated for an industry-neutral approach where the businesses most severely impacted by COVID receive priority in obtaining financial assistance and winners and losers are not cherry picked by Congress across the varying sectors affected by the pandemic. At long last, there is legislation that reflects this approach, as the Relief for Restaurants and Other Hard Hit Small Businesses Act does exactly that.

To ensure that the funds are allocated to the small businesses with the greatest need, the program establishes a system whereby entities with an 80 percent or greater revenue loss receive priority, followed by those experiencing losses of 60 percent. Businesses that did not suffer a pandemic-related revenue loss of at least 40 percent are not eligible for any relief under the Act. Awards may be used to cover payroll costs, mortgage or rent payments, utilities and other operational expenses. This industry-neutral approach ensures relief goes to those businesses with the greatest demonstrated need.

While it will take several years for our sector of the travel industry to return to health, we believe this legislation, coupled with urgently needed regulatory relief such as <u>modifying the U.S.</u> <u>Centers for Disease Control and Prevention's international air travel testing rule</u>, will help speed this recovery and put travel agencies in a position to serve the traveling public.

Thank you for considering our views. Should you have any questions or want to discuss further, please contact Jessica Klement, Vice President, Advocacy, at <u>jklement@asta.org</u>.

Yours Sincerely,

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Eben Peck Executive Vice President, Advocacy