

April 13, 2022

The Honorable Charles Schumer Majority Leader U.S. Senate 322 Hart Senate Office Building Washington, D.C. 20510 The Honorable Mitch McConnell Minority Leader U.S. Senate 317 Russell Senate Office Building Washington, D.C. 20510

Dear Majority Leader Schumer and Minority Leader McConnell:

I write 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 to urge you to consider further pandemic relief for travel advisors and other travel-reliant small businesses. As another wave of the coronavirus (COVID-19) makes its way through Washington, D.C., we are again reminded that this pandemic is not over, as much as we'd like it to be.

On April 7, the House of Representatives passed legislation – the Relief for Restaurants and Other Hard Hit Small Businesses Act of 2022 (H.R. 3807) – that would provide pandemic relief to small businesses with the greatest need. In addition to funding for the Restaurant Revitalization Fund, this bipartisan bill would create a \$13 billion Hard Hit Industries Award Program under which entities with an 80 percent or greater revenue loss receive priority for assistance, 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 bill. This objective, industry-neutral approach ensures that relief goes to those businesses with the greatest demonstrated need as opposed to picking winners and losers and prioritizing more visible industry sectors over smaller sectors. Given the severity and longevity of the financial losses suffered by ASTA members and other travel-reliant small businesses, this legislation is imperative to getting these businesses back on their feet and contributing to our country's economic recovery.

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 recipients are not cherry picked by Congress across the varying sectors affected by the pandemic. At long last, there is legislation that reflects this approach. However, current legislation pending in the Senate (S. 4008) singles out certain industries for relief while leaving others, including travel agencies and other travel-reliant small businesses by the wayside. We urge the Senate to follow the House's lead and swiftly consider the industry-neutral legislation following the April recess.

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, including 8,407 in New York and 187 in Kentucky. 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.

The succession of viral COVID-19 variants and complex, ever-changing government restrictions on and warnings against travel and now, the most consequential war in Europe since World War II, have all contributed to our sector's painfully slow recovery. Average travel agency revenue levels were down 82 percent in 2020 compared to 2019, and are <u>still</u> down over 70 percent, according to ASTA member surveys.

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.

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

Thank you for considering ASTA's views on this critical matter. If you or your staff has any questions about this or anything related to the travel industry, don't hesitate to contact me Eben Peck, ASTA's Executive Vice President of Advocacy, at (703) 739-6842 or <a href="mailto:epeck@asta.org">epeck@asta.org</a>.

Yours Sincerely,

Zane Kerby

President and Chief Executive Officer