



ASTA Legislative Day – Policy Priorities

June 4, 2019

1) **FASTER ACT (H.R. 1171/S. 472)**

Established by the Aviation and Transportation Security Act (P.L. 107-71) in the wake of the 9/11 terrorist attacks, the Aviation Passenger Security Fee, imposed today at \$5.60 per enplanement (or \$11.20 per roundtrip), is a true “user fee.” That is, those who pay the fee, which raised over \$4 billion in 2018 to offset a portion of the costs of providing civil aviation security services, are the ones who benefit from it. However, when Congress increased the fee to its current levels in 2013, it diverted the proceeds of the increase away from aviation security services and toward overall deficit reduction. Thanks to this “fee diversion,” in 2019 \$1.36 billion in funding will be taken out of the aviation security system, and by 2027 more than \$19 billion in total will have been diverted.

A well-functioning aviation security system appropriately balancing security and free flow of travel is critical to the travel agency industry and its clients. Travel advisors continue to sell a huge volume of air travel – over \$95 billion in sales for 295 million passenger trips in 2018 alone. Further, ASTA’s research shows that travel agency clients fly more than the general public – 4.7 trips vs. 3.6 trips per year for leisure travel and 5.8 trips vs. 4.1 trips per year for business travel.

As such, ASTA feels strongly that Congress should stop diverting revenue from the Aviation Passenger Security Fee and allow the monies collected to be used for civil aviation security services. The Funding for Aviation Screeners and Threat Elimination Restoration (FASTER) Act (H.R. 1171/S. 472), introduced in February in the House of Representatives by Reps. Peter DeFazio (D-OR), Bennie Thompson (D-MS) and John Katko (R-NY) and in the Senate by Sens. Ed Markey (D-MA) and Richard Blumenthal (D-CT), would do just that. It would also give the Transportation Security Administration (TSA) access to funding to ensure that airport screeners receive pay during any future government shutdowns.

REQUEST:

- ✓ **Cosponsor and otherwise support enactment of H.R. 1171/S. 472, the Funding for Aviation Screeners and Threat Elimination Restoration (FASTER) Act, which would stop the diversion of aviation security fees.**

2) HARMONIZATION OF COVERAGE ACT (115th Congress: H.R. 3825)

Like many other industries, travel agencies rely heavily on the services of independent contractors (ICs), a business practice our members tell us provides substantial benefits for both workers and agencies in situations where a traditional employment relationship is impractical. The use of independent advisors in our industry is prevalent and growing – in our latest Labor and Compensation member survey, 75 percent of ASTA member agencies reported engaging at least one IC, and of those who do, the average agency engaged 12 ICs. Compare this to 2006, when the average agency engaged only 4 ICs. All told, an estimated 20,000 ICs work in our industry – equivalent to 20 percent of the total industry workforce.

However, businesses engaging ICs currently face substantial uncertainty over whether these relationships will be respected for purposes of federal statutes, due to multiple statutory tests used to determine who is an “employee.” These inconsistent tests can produce inconsistent determinations of a worker’s status, as an employee or independent contractor, relative to the same client company under different federal statutes. For example, a worker can be deemed an IC under the test used by the Internal Revenue Service while at the same time an employee under that used by the Department of Labor. This can have a discriminatory impact on individual entrepreneurs, leading to diminished economic growth for our nation’s economy due to the decreased economic opportunities for those individuals who wish to offer their services as independent entrepreneurs.

To address these issues, the Harmonization of Coverage Act (115th Congress: H.R. 3825), would incorporate the common-law right-of-control test into the Fair Labor Standards Act (FLSA) of 1938. The bill, soon to be reintroduced into the 116th Congress by Rep. Elise Stefanik (R-NY), would fix the current patchwork system of multiple federal tests, providing clear and consistent rules of the road in terms of who is an employee and who is an independent contractor. Agency owners and ICs alike deserve clarity so they can focus on what they do best – selling travel – and the Harmonization of Coverage Act would provide that clarity.

REQUEST:

- ✓ **Cosponsor and otherwise support enactment of the Harmonization of Coverage Act, to incorporate the common-law right-of-control test into the Fair Labor Standards Act of 1938.**

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