

2022: CRITICAL POLICIES TO PASS NOW

The COVID-19 pandemic has devastated the travel industry. A staggering 65% of all U.S. jobs lost in 2020 were supported by travel, and they cannot fully recover without a swift return of all segments of travel. According to preliminary estimates from Tourism Economics, domestic business travel was around 50% below 2019 levels in 2021, while international travel was more than 75% down in 2021. Tourism Economics also forecasts that without targeted help, business travel and international travel will not fully recover until 2024.

Congress and the Biden Administration should move aggressively to implement the following policies in 2022, which will help restore travel demand, accelerate recovery and rehiring, and provide relief to severely impacted small businesses.



Talk to your member(s) of Congress about these policies



Encourage your member(s) of Congress to work with the Administration on these policies

EMERGENCY FUNDING FOR BRAND USA

Brand USA is the highly successful public-private partnership charged with promoting the U.S. as a destination to global travelers. As a public-private partnership, Brand USA receives 50% of its funding from Electronic System for Travel Authorization (ESTA) fees paid by foreign visitors and 50% from matching contributions from the private sector.

However, with international arrivals down around 70% in 2021, ESTA fee revenue has declined 38% in 2021, with a potential 90% decline in 2022. The Commerce Department's Travel and Tourism Advisory Board estimates that Brand USA will need as much as \$250 million in supplemental appropriations outside of the matching process to restart global marketing campaigns and prepare international travelers for new COVID-related protocols.



- **Congress should enact the Restoring Brand USA Act** (S. 2424 / H.R. 4594), which provides \$250 million in emergency funding for Brand USA using surplus ESTA fees.

DOMESTIC BUSINESS TRAVEL

In 2020, business travel declined by around 69%, with travel spending related to meetings, conferences and events declining even further (-76%). Until business travel and professional meetings and events are fully restored, the pace of economic recovery will continue to suffer. Therefore, the following measures are necessary for a quick and robust recovery:

POLICIES TO RESTORE THE TRAVEL ECONOMY

-  • **Congress should enact temporary tax credits to venues, event organizers and/or small businesses** to help cover the cost of running or participating in an in-person business meeting or event that meets certain safety criteria, such as proposed in Section 2 of the [Hospitality and Commerce Job Recovery Act](#).
- **Congress should temporarily permit the deductibility of entertainment business expenses under Section 274 of the tax code.** Temporarily allowing businesses to deduct entertainment expenses will help increase business spending on live entertainment and sporting events and offset weaker consumer demand.
-  • **Congress should enact government-sponsored event cancellation insurance coverage for pandemic-related losses**, such as proposed in the Pandemic Risk Insurance Act of 2021 (H.R.5823). Businesses and organizations need pandemic risk insurance to gain the certainty they need to fully re-engage in hosting and registering for in-person meetings and events.

ECONOMIC RELIEF GRANTS

Many travel businesses still need access to economic relief as they continue to experience revenue loss due to COVID-19 restrictions and mandates. As long as COVID-19 remains a threat to the full, unencumbered reopening of the economy, targeted relief grants will be needed to help travel businesses and organizations meet basic expenses and payroll.

-  • **Congress should provide new targeted relief grants to small travel businesses that experienced significant revenue loss in 2021 compared to 2019.**
- **Relief grants should be provided through expanded eligibility** for the Restaurant Revitalization Fund (RRF), the Shuttered Venue Operators Grant Program, or a new relief program with a similar structure to RRF.
-  • **Eligible travel businesses should include** hotels, restaurants, tour operators, meeting and event planners and venues, tour operators, attractions, travel advisors and similar businesses that have been unable to restore normal operations due to travel restrictions, capacity limitations or other COVID-related policies.

FULLY RESUME VISA PROCESSING

As of October 2021, approximately 60% of U.S. embassies and consulates were partially or completely closed for visa processing, with just 95 of 237 visa processing sites fully operational. However, even for the visa processing sites that were open, average wait-times for an appointment had skyrocketed to more than 6 months (192 days) in August.

These closures put a drag on international reopening efforts and ultimately travel's economic recovery. The Biden Administration, with support and urging from Congress, should take the following steps to restore visa processing, reduce the backlog of appointments, and lower wait-times:

POLICIES TO RESTORE THE TRAVEL ECONOMY

-  • **The State Department should develop a transparent plan to fully restore U.S. visa processing operations at U.S. embassies and consulates by early 2022**, including by publicly identifying the statistical benchmarks used to determine when to restart visa processing operations.
-  • **Congress should increase the cap on H-2B and J1 visas, and permanently exempt returning H-2B workers from the cap**, such as proposed in the H-2B Returning Worker Exception Act (H.R. 3897).
-  • **The Biden Administration should release the fully authorized amount of H-2B and J1 visas in 2022.**
-  • **The State Department should streamline and modernize the visa adjudication process by piloting videoconferencing technology in visa interviews with low risk, returning visa applicants.** The pilot should be implemented as soon as possible. Additionally, the State Department should develop an efficient visa adjudication process for medium-to-large groups of travelers coming to the U.S. for the same purpose, such as a convention, sporting event, or group tour.
-  • **The State Department should prioritize visa application processing based on volume and economic impact**, providing greater resources to the embassies and consulates that have a high demand for visas or facilitate a high amount of travel exports (through B1/B2 visas).
-  • **The State Department should temporarily extend all visas for a year or waive visa interview requirements for any applicant seeking a valid renewal.** The Administration has already waived visa interview requirements for some individuals who held a valid visa within the last 48 months. This should be extended to all visa renewal applicants, particularly for those presently in the U.S.
-  • **The State Department should allow visa holders in the U.S. to renew their visas while remaining in the U.S.** Currently, many visa holders are required to exit the country before renewing their visas, which adds inefficient and unnecessary barriers to renewal and contributes to increased wait-times abroad.

INTERNATIONAL TRAVEL FACILITATION

On November 8, 2021, the Administration implemented a global vaccine and testing regime for all inbound international air travelers. While these measures are a critical step to restore international business and leisure travel, additional measures are needed to facilitate a smooth increase in international travel and provide for long-term stability:

-  • **Congress should provide supplemental funding to increase staffing and overtime pay** at U.S. Customs and Border Protection.
-  • **The Biden Administration should prepare for an endemic state of COVID-19 by setting measurable benchmarks for the lifting of pandemic-related protocols.** Without measurable benchmarks, pandemic-related protocols could fall victim to mission creep and persist beyond necessity, needlessly impairing our global competitiveness and international standing.