U.S. TRAVEL
ASSOCIATION®

The Honorable Janet Yellen
Secretary of the Treasury
Department of Treasury
1500 Pennsylvania Ave.
Washington, D.C. 20220

The Honorable Shalanda Young
Acting Director
Office of Management & Budget
725 17th St., NW
Washington, D.C. 20500

Mr. Brian Deese
Director of the National Economic Council
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

March 30, 2021

Dear Secretary Yellen, Deputy Director Young and Director Deese:

As you know, travel has been hard hit by the coronavirus pandemic, with travel-supported jobs accounting for 65% of all jobs lost because of the pandemic. When federal, state and local officials implemented COVID-19 mitigation measures, it had a disproportionate impact on the travel industry. As a result, the industry shrunk by 42% last year at no fault of its own—with leisure travel declining by 30%, business travel declining by 70% and inbound international travel declining by 76%—leading to the loss of 5.6 million jobs. The challenges for the travel industry are tremendous, requiring an equally tremendous amount of attention from those that are charged with overseeing the country's economic recovery.

According to industry estimates, without targeted stimulus, travel spending will not return to 2019 levels until 2025. Before the crisis, the travel industry was a top-10 employer in all 50 states—accounting for the largest employment sector in Nevada and Hawaii, the third largest employment sector in Florida and New Mexico, the fourth largest employment sector in New York and Arizona, and the fifth largest employment sector in Puerto Rico. The relief previously provided was critical to the industry's survival. However, the travel economy remains in a state of crisis, creating uncertainty and insecurity across every sector of the industry—from hotels and airlines to convention centers and small tour operators. It is clear there can be no real recovery for the millions of Americans that rely on travel for income without a strong and lasting recovery in travel. To that end, we ask that you consider the following policy proposals as the administration develops its own recovery and infrastructure strategy:

Support Travel Stimulus

The travel industry is in desperate need of stimulus. In 2020, the industry lost nearly $500 billion in cancelled events and lost travel spending. This will have long-lasting effects on the industry's ability to recover. Therefore, we ask you to support the enactment of the Hospitality and Commerce Job Recovery Act (S.477/H.R.1346) in the next recovery package to accelerate the pace of recovery. This bipartisan bill includes critical tax credits designed to:

1. Encourage businesses to re-engage in business meetings, conferences and trade shows, as well as help venues and event hosts cover the cost of state and local safety protocols;

2. Encourage more travel by low- and middle-income Americans, who often fail to use all of their earned vacation benefits—leading to a record 768 million vacation days going unused in 2018; and

3. Restore business activity at entertainment venues.

Invest in Green Travel

As we work to build back the economy, we agree with the president's goal to build back better. Investments that promote new and innovative solutions to climate change will be a critical component in this effort. Therefore, we encourage you to include the following policies in the next infrastructure package:

1. Extend and expand tax credits that encourage greater use of electric vehicles, including:

    a. The Section 30C credit for electric vehicle charging stations, which will help travel businesses offer more sustainable transportation solutions at every end of the travel ecosystem, from hotels and convention centers to theme parks, restaurants, and wineries.

    b. The Section 30D credit for electric vehicle manufacturers, which will help increase electric vehicle access and affordability.

2. Establish an electric vehicle charging infrastructure grants program that targets investments along the most significant corridors for long-haul passenger travel and provides grants to travel businesses located near these corridors.

3. Support legislation to establish a $1.50 - $2.00 per gallon blender's tax credit for Sustainable Aviation Fuels (SAF) that achieves at least a 50% reduction in lifecycle greenhouse gas (GHG) emissions compared to conventional jet fuel, with the precise amount of the credit linked to the SAF's GHG emission performance.

Provide a Stable Tax Environment

While we need stimulus to accelerate the pace of recovery, we also need a stable tax environment to sustain the recovery as we work to welcome back guests and provide affordable options for every type of traveler. Now is not the time to add more distress to travel businesses by significantly increasing their effective tax rate. Therefore, we ask that any structural change to corporate or marginal tax rates give the travel industry the time it needs to fully recover by either providing a delayed phase-in or temporary deduction for travel-dependent businesses.

Thank you for your consideration.

Sincerely,

Tori Emerson Barnes
Executive Vice President
Public Affairs and Policy