Bulked-up U.S. Travel wades into aviation buzzsaws

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The once-sleepy U.S. Travel Association in recent years has thrown money and muscle behind lobbying in a big way — including inserting itself into the buzz saw of several long-running fights with well-established, well-heeled opponents.

Formed amid World War II as a way to help reinvigorate domestic tourism, U.S. Travel over the past few years has assembled a heavyweight team of lobbyists with well-known transportation pedigrees. That includes Jonathan Grella, who was press secretary for former House Majority Leader Tom DeLay (R-Texas), and Lorraine Howerton, who previously worked for the Aircraft Owners and Pilots Association, on Capitol Hill and at DOT. Tori Barnes joined this fall after spending years lobbying for General Motors.

In an interview, Grella said much of the reason U.S. Travel decided to bulk up in the Beltway is its members have wanted help with a myriad of issues, including perennial challenges to travel, especially as governments and industry increasingly grapple with global terrorism.

"What we continue to hear is that they value advocacy now more than ever," Grella said. "So the natural tendency would be to double down on your strengths, and that's what we feel like we've done. Whether it's advancing the ball when things are peaceful or playing robust defense when things are more hectic or tumultuous — both are needed and valued by our members."

To some extent, they've come blasting out of the gate because travel issues "don't take turns presenting themselves," Grella suggested. "We've had to contend with them simultaneously or concurrently," he said. "And that's another part of the reason why we've had to grow our resources and staff up, for such challenges."

Last year, the association spent more than \$2.3 million on lobbying — almost one-and-a-half times what it spent five years prior, according to disclosures. In the first three quarters of this year, U.S. Travel has spent about \$1.9 million lobbying on issues like the cap on Passenger Facility Charges, Open Skies agreements, so-called flag-of-convenience air carriers, President Donald Trump's travel ban and aviation security.

The group's PAC spent just under \$796,000 in the 2016 election cycle, according to the Center for Responsive Politics. That's more than double what it spent in the 2012 election cycle. During the 2016 cycle, the PAC gave \$10,000 each to House Speaker <u>Paul Ryan</u>, House Majority Whip <u>Steve Scalise</u> of Louisiana and Sen. John Thune of South Dakota, the No. 3 Republican in the Senate and chairman of the Commerce Committee.

Beyond spending more dollars on lobbying, the group has also waded into fights that have pit it against major players like airlines and labor unions.

For instance, U.S. Travel and airports have pushed to raise the cap on Passenger Facility Charges, setting themselves against the airline industry, which is opposed to a change. While a cap increase wasn't included in either the House or Senate's FAA reauthorization bills — <u>H.R. 2997 (115)</u> and <u>S. 1405 (115)</u> — this year, Senate appropriators included a \$4 hike in their fiscal 2018 transportation spending bill, <u>S. 1655 (115)</u>.

One of the most contentious issues U.S. Travel has jumped into is a dispute between three major U.S. airlines — as well as their labor allies — and three Persian Gulf carriers, over what some U.S. aviation interests allege are unfair government subsidies in contravention of Open Skies treaties. U.S. Travel is siding with Qatar and the United Arab Emirates against the three major U.S. legacy airlines. Two of the Gulf airlines involved, Emirates and Etihad Airways, are members of U.S. Travel.

Much is at stake in the fight between these interests, and wading into the ring has caught U.S. Travel some flak. The Air Line Pilots Association has <u>claimed</u> that U.S. Travel may be breaking lobbying disclosure rules, requesting a federal investigation in June. The Justice Department hasn't yet responded to the claim.

Of course, American Airlines, Delta Air Lines and United Airlines are known for their deep pockets. The three carriers have spent a combined \$9.8 million on lobbying in 2017, as of the third quarter. Grella acknowledged they can't compete in terms of resources, but said that U.S. Travel's goal is to make sure legacy airlines' views aren't the only ones policymakers know.

"The calculation amongst policymakers, from the administration to Capitol Hill, can't be 'Well, the U.S. three asked for something, better give it to 'em," Grella said. "Because now all of a sudden the scales have tipped, because there are a whole bunch of other folks who this matters to, and we didn't realize before that what we do on Open Skies makes a big difference to attractions and hotels and rental car companies and so on."

While the tension between the two sides of the issue continues, policymakers have made few moves in any obvious way in favor of either since Trump took office. The Senate's <u>tax bill included</u> a provision to nix a tax exemption for some foreign airlines, which appeared to be aimed at Emirates, Etihad and Qatar Airways. But the language was struck out before the bill passed.

U.S. Travel has also backed Norwegian Air Shuttle subsidiaries that have applied to fly to the United States — again positioning itself opposite ALPA as well as other labor groups. Norwegian, a member of U.S. Travel, has won in two different cases under both the Obama and Trump administrations. Obama's DOT gave Ireland-based Norwegian Air International permission to fly to the United States, while Trump's DOT gave Norwegian Air UK the same permission.

"When assessing how we can grow travel into and within the U.S. in the advocacy realm, you keep on running up against these dynamics where you say, 'Alright, well ... we need more flights, we need more connectivity, we need more infrastructure to be able to handle the demand that's coming' and so on," Grella said. "And so you do end up in disagreements with folks who see things differently and are accustomed to getting their way."

Washington Rep. <u>Rick Larsen</u>, the top Democrat on the Transportation Committee's Aviation Subcommittee, said the group has been "much more active" because of a growing amount of travel to and from the United States. "I do think U.S. Travel has stepped up their game in many regards," Larsen said. "The issues that impact their members and travel consumers are getting more and more acute," he added, offering airport capacity and infrastructure as an example.