November 19, 2020

President Donald J. Trump
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President,

As you know, the CARES Act established the Coronavirus Relief Fund (CRF) to help states and eligible local governments respond to the effects of COVID-19, including the economic effects of the pandemic. However, Treasury’s interpretation of the law has led to certain complications that are preventing local destination marketing organizations (DMOs) from using the funds in the most cost-efficient manner. We urge you to update Treasury’s guidance for the CRF to (1) allow the primary function of eligible expenses to occur after the December 30th deadline if paid for before the deadline, and (2) allow subrecipients to spend the funds after the December 30th deadline.

Currently, Treasury’s guidance requires most functions paid for with CRF funds to occur before December 30th, even though the text of the CARES Act only requires recipients to incur the expense by December 30th. The only exception provided in Treasury’s guidance is for goods bought in bulk. Applying the payment deadline to the performance of paid functions seem to stem from a misguided belief that any function occurring after December is not related to the pandemic. However, given the current pace of the pandemic, we believe any expense that is paid for before December 30th should be deemed compliant with the law even if the primary function of the expense doesn’t occur until next year, as long as it responds to the effects of the pandemic.

We also believe it is prudent to narrowly apply the December 30th deadline to only the entities receiving direct allocations from Treasury. As you know, the text of the CARES Act only applies the deadline to states, tribal governments, and units of local government. Even though most destination marketing organizations are structured as distinct separate entities from their state, county or local government, the guidance is forcing them to face the December 30th deadline as if they constituted their state, county, or local government. Given that many DMOs, as well as other types of subrecipients, only recently received a CRF award, with less than 60 days left to use the funds, we believe it’s necessary to give them more time to use the funds to ensure it’s used in the most cost-effective way, providing the biggest return on investment for the country.

As long as the virus remains a clear and present danger, we believe it’s important for you to use any and all discretion given to you under the law to help states and local communities deal with the effects of the crisis. We hope you agree. We appreciate your thoughtful leadership during this difficult time and look forward to your assistance on this urgent matter.

Sincerely,

Roger J. Dow
President and CEO
U.S. Travel Association