U.S. TRAVEL
A S S O C I A T I O N ®

March 17, 2020

Dear Members of Congress,

I write on behalf of the 15.8 million Americans whose jobs depend on travel to urge immediate legislative action to provide travel businesses, 83% of which are small businesses, with efficient access to capital, credit and liquidity in order meet their payroll and keep workers employed.

Unlike an economic slowdown, the sudden and steep drop in travel due to the COVID-19 natural disaster is creating a crisis that is analogous to a virtual shutdown of the entire travel economy. Unless Congress takes immediate action to protect travel workers and keep businesses open:

- **4.6 million jobs will be lost:** By the end of June, travel-related jobs will fall by 3.6 million and result in a total employment loss of 4.6 million jobs in the US this year – increasing the unemployment rate to 6.3%;

- **$355 billion in economic damages:** Travel spending in the U.S. will decline by $355 billion this year and will translate into a total loss of $809 billion in economic output;

- **This scenario assumes recovery begins in June, which is far from certain.**

The economic importance of America's travel industry cannot be overstated. In 2019, travel to and within the United States generated $2.6 trillion in economic output, which accounts for more than 2% of GDP. Travel businesses directly employ 9 million Americans. International travel to the U.S. is our nation's second-largest industry export and the top services export. One-in-ten jobs in the U.S. depend on travel and tourism.

We unequivocally support the public health measures being taken to prevent the spread of COVID-19. However, the widespread drop in demand – including closing off 7 of the top 10 inbound travel markets and the recommendations of the CDC to limit gatherings and travel – have unintentionally created a liquidity crisis that is unparalleled in the modern era. Hotels, restaurants, theaters, theme parks and attractions have temporarily closed. Thousands of conferences, conventions and sporting events have been canceled. Flight schedules are being reduced. Retail stores and restaurants are increasingly empty or shuttered.

Time is of the essence. Immediate Congressional action is needed to protect the travel industry workforce and small businesses who, through no fault of their own, are experiencing significant economic harm in the interest of public health. I urge you quickly enact legislation that provides:

- **Grants to protect the travel workforce:** To keep workers employed, businesses solvent, and compensate for losses incurred in the interest of public health, provide $150 billion in direct grants to travel-dependent businesses through a Travel Workforce Stabilization Fund at the Department of Treasury. Convert a portion of SBA loans to grants for small businesses and non-profits to keep employment at pre-coronavirus levels.

- **Loans to stabilize business operations:** Provide travel-dependent businesses and non-profits with zero interest, unsecured lines of credit from the Treasury Department through a liquidity facility program. Maximize the benefit of SBA loan programs by increasing loan limits above $2 million and guarantee percentages, waiving loan fees, and providing forbearance on interest and loan payments through 2020.

- **Tax relief to mitigate losses and spur recovery:** Among other tax proposals in this document, of the utmost importance is to permit affected businesses to temporarily defer tax liability, delay or eliminate estimated quarterly tax payments and filings deadlines, and allow for an extended carryback of the Net Operating Loss (NOL) Deduction.

Thank you for continued efforts to combat the COVID-19 pandemic, protect the health and wellbeing of the American people, and ensure the economic resiliency of the small businesses and millions of workers who comprise America's travel and tourism industry. The U.S. Travel Association and its membership look forward to working with you to achieve these goals.

Sincerely,

Tori Emerson Barnes
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U.S. Travel Association