

**THE STATE OF TRAVEL AND TOURISM
DURING COVID**

HEARING

BEFORE THE

SUBCOMMITTEE ON TOURISM, TRADE,
AND EXPORT PROMOTION

OF THE

COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE

ONE HUNDRED SEVENTEENTH CONGRESS

FIRST SESSION

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SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED SEVENTEENTH CONGRESS

FIRST SESSION

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CONTENTS

	Page
Hearing held on April 13, 2021	1
Statement of Senator Rosen	1
Letter dated April 13, 2021 to Hon. Jacky Rosen and Hon. Rick Scott from David Audrain, Co-President and David DuBois, CMP, CAE, FASAE, CTA, Co-President, Exhibitions & Conferences Alliance	39
Letter dated April 13, 2021 to Hon. Jacky Rosen and Hon. Rick Scott from Brian Crawford, Executive Vice President of Government Affairs, American Hotel & Lodging Association	40
Prepared statement from the American Bus Association	41
Statement of Senator Scott	3
Statement of Senator Wicker	4
Statement of Senator Cortez Masto	6
Statement of Senator Klobuchar	26
Statement of Senator Sullivan	28
Statement of Senator Cantwell	30
Statement of Senator Sinema	32
Statement of Senator Hickenlooper	33
Statement of Senator Blackburn	35

WITNESSES

Steve Hill, CEO and President, Las Vegas Convention and Visitors Authority	6
Prepared statement	8
Jorge Perez, Regional Portfolio President, MGM Resorts International	10
Prepared statement	12
Tori Emerson Barnes, Executive Vice President, Public Affairs and Policy, U.S. Travel Association	13
Prepared statement	15
Carol B. Dover, President and CEO, Florida Restaurant and Lodging Associa- tion	19
Prepared statement	20

APPENDIX

Prepared Statement of the Travel Management Coalition	43
Response to written questions submitted to Steve Hill by:	
Hon. Jacky Rosen	44
Hon. Dan Sullivan	46
Response to written questions submitted to Jorge Perez by:	
Hon. Jacky Rosen	46
Hon. Dan Sullivan	47
Response to written question submitted to Tori Emerson Barnes by:	
Hon. Dan Sullivan	48
Response to written question submitted to Carol B. Dover by:	
Hon. Dan Sullivan	49

THE STATE OF TRAVEL AND TOURISM DURING COVID

TUESDAY, APRIL 13, 2021

U.S. SENATE,
SUBCOMMITTEE ON TOURISM, TRADE, AND EXPORT
PROMOTION,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC.

The Committee met, pursuant to notice, at 3:06 p.m., in room SR-253, Russell Senate Office Building, Hon. Jacky Rosen, Chairman of the Subcommittee, presiding.

Present: Senators Rosen [presiding], Klobuchar, Cantwell, Tester, Cortez Masto, Sinema, Hickenlooper, Scott, Wicker, Sullivan, Blackburn, and Capito.

OPENING STATEMENT OF HON. JACKY ROSEN, U.S. SENATOR FROM NEVADA

Senator ROSEN. The inaugural hearings of the newly formed Subcommittee on Tourism, Trade, and Export Promotion. I would like to thank Senator Rick Scott, the Ranking Member of the Subcommittee, for agreeing to work with me in a bipartisan way on the critical issues that are so important to workers, businesses, and families in both of our states and across the country. And I look forward to a productive partnership.

I would also like to thank Chair Cantwell and Ranking Member Wicker for their tremendous leadership and for agreeing to establish this crucial subcommittee at a time when travel, tourism, and hospitality, they need more support than ever before. Travel and tourism related industries drive job creation and economic growth in states across America, especially in Nevada. These industries and the workers they employ are absolutely essential to our state's prosperity.

From the excitement and energy of the Las Vegas Strip, the exquisite outdoor recreation opportunities at Lake Tahoe, to the magnificent engineering feat that is the Hoover Dam, and the vast and pristine public lands throughout our state, people love to visit Nevada. Prior to the pandemic, in 2019 about 55 million people visited the Silver State, which was a record setting figure. In the Las Vegas area alone, direct visitor spending reached almost \$37 billion, directly supported more than 242,000 workers in the tourism, leisure, and hospitality industries. Jobs in those sectors account for about 9 percent of all U.S. jobs, a major slice of the Nation's economy, and in Nevada, they employ about a quarter of our workforce.

With tourism as our lifeblood, this pandemic has hit Nevada particularly hard. It brought our travel and tourism-heavy economy screeching to a halt and decimated the jobs that these industries support. In April 2020, the unemployment rate in Nevada was the highest in our state's history and the worst in the Nation, it skyrocketed to almost 30 percent. I want to repeat that, 30 percent unemployment. They were unemployed through no fault of their own. It was all because of the COVID-19 pandemic, and that contributed to the worst economic downturn in the tourism industry we have ever experienced in my State of Nevada.

Through PPP loans, the Employee Retention Tax Credit, direct aid to restaurants and live entertainment, and unemployment relief, Congress has worked to support tourism businesses and workers during this difficult period. But far more needs to be done. Now it is time to bring this critical industry back to its thriving pre-pandemic economic status. I intend to use this subcommittee to find bipartisan pathways and solutions to do just that. We are going to get Americans and the world traveling again. Today's inaugural hearing, titled The State of Travel and Tourism During COVID, will examine the economic impacts of the COVID-19 pandemic on the travel and tourism industry, with a particular focus on hotels, conventions, and the broader hospitality industry. We will discuss regional impacts of the pandemic on tourism heavy economies like Nevada's and Florida's and those communities disproportionately affected by economic downturn as a result of COVID-19.

Here today, both virtually and in person, we have a panel of wonderful witnesses to share their expertise, provide insight and recommendations, and take questions from members of the Subcommittee. We will hear from witnesses representing the Las Vegas Convention and Visitors Authority, MGM Resorts International, U.S. Travel Association, and the Florida Restaurant and Lodging Association. From this hearing, I hope the Subcommittee will gain a robust understanding of the current needs of our Nation's travel and tourism industry so that we can craft the most effective and targeted solutions to revive our economy and support the travel and tourism work force. Travel and tourism industry has many components.

So while the focus of today is primarily hotels, conventions, and the broader hospitality industry from restaurants to casinos, Ranking Member Scott and I will ensure this subcommittee hears from key stakeholders across the board. Over the next few months, we will hear from our airports and others about the pandemic's impacts on international travel. We will examine the outdoor recreation economy and eco-tourism. We will raise the voices of small businesses, hospitality workers, and the live entertainment work force. And we will chart a path toward the future.

Thank you all again for being here today. I look forward to hearing each of you share your experiences and expertise with us. Now I will turn it over to Ranking Member Scott for his opening statement and to introduce our witnesses so they can provide testimony to the panel. Senator Scott.

**STATEMENT OF HON. RICK SCOTT,
U.S. SENATOR FROM FLORIDA**

Senator SCOTT. Well, first I want to thank Chair Rosen. We both come from tourism states and we know the importance of making sure that we have robust tourism. I remember being at, I think it is supposed to be the largest tourism convention or event supposedly in the world down in Rio de Janeiro, Brazil, and Las Vegas had an unbelievably beautiful space there and they presented Nevada really well. So it is a great state, and it is a great place to take a vacation. I want to thank all of our witnesses for being here today and sharing their experiences. I would like to thank somebody from Florida, Carol Dover, who is the President and CEO of the Florida Restaurant and Lodging Association for being with us today.

I finished—a couple of years ago as Governor of Florida and I worked hand in hand with Carol. Tourism is a big deal in our state, and she is truly a champion for our tourism industry in our state. I want to thank Chair Cantwell and Ranking Member Wicker for giving us the opportunity to do this. It is an honor to lead this subcommittee with Senator Rosen. I look forward to the important work we are going to do to drive our Nation's tourism and trade sectors to economic success. And as you heard from Chair Rosen, some of our States have really gotten hurt because of what has happened with the pandemic. During my time as Governor, we put—we invested actually quite a bit of State money and worked on growing tourism. We went from about 80 million tourists a year to my last year 126 million tourists.

But of course, last year, the State of Florida's tourism, like all other states, was down significantly. We shed records, tourism records, and it creates a lot of jobs. And these visitors, they support our small businesses, they field our job growth, they help increase our State and local investments in the environment and transportation and public safety and education. Always said, what happens in Florida is people come to visit, and I am sure the same thing happens in Nevada, people come to visit, say this is a pretty nice place, I think I will move here. I will build my business here. So it is a real driver for economic development I think in both of our states.

Our State also has 15 seaports, and it is the gateway to Latin America. Florida has become a hub for businesses all across the Nation for import and export. We try to move all the business we can out of California over to Florida. So goods that flow through Florida airports and seaports have grown to \$154 billion a year due to our focus on building international trade relationships. We—in 2016 exports from Florida supported an estimated 232,000 American jobs. So these are—the tourism is big jobs, the trade jobs are big jobs with our ports. We invested in my eight years about \$1.4 billion just in our ports. I know that all of this—the pandemic has impacted every one of us, our families, and all of us have tried to figure out how to deal with this, keep everybody safe, our family safe, our businesses safe, and our employees safe. I have heard from a lot of small businesses around my State that rely on the tourism industry and have been absolutely devastated by the pandemic.

While I am glad Florida is open for business, our businesses are open, our schools are open, the uncertainty of when the tourism industry will reopen in other States in communities across the country has clearly impacted those States and it has even impacted us. I know everybody is working incredibly hard to keep their businesses going and get back in business and be able to employ everybody again, and I hope that happens quickly. As our Nation works to recover from the coronavirus and get our economy back on track, I am going to do everything I can with Senator Rosen to support the tourism industry in Florida and across the country.

I am also very focused on what happens in Puerto Rico. You know, Puerto Rico is devastated by Hurricane Maria and then they had the earthquake and now COVID-19. We worked hard to make sure there is good aid for Puerto Rico's recovery. I have been working on a lot of bills like Senator Rosen has. I have my bipartisan Fly Safe K-9 COVID Detection Act with Senator Sinema, which directs the TSA to conduct a feasibility study on the use of K-9 units, which have been reportedly effective in detecting COVID and hopefully will provide an opportunity to make people feel safer flying.

We have got to get people back in the air for all of our states. We also have a bipartisan bill Fly Safe and Healthy Act with Chair Cantwell to enable a temperature check pilot program at airports. And today I introduce the Careful Resumption Under Improved Safety Enhancement Act or the CRUISE Act with Senator Sullivan and Senator Rubio to help our cruise industry restart and support the many businesses in our communities that rely on the success of the cruise industry. I guess you don't have a lot of cruises, but you have a lot of people—

[Laughter.]

Senator ROSEN. They cruise up and down the Las Vegas strip.

Senator SCOTT. That is right. And you have got a lot of water people where people cruise on. So our—it has been really frustrating. Now, the cruise industry has been waiting for months for updated guidance from the CDC and I think it is wrong what has happened. They have got to—we have got to give the cruise industry the terms, the rules, and they will reopen safely. I know that industry wants to do it safely. It is an important job created for us.

So I want to make sure that happens. We are going to do everything we can. And I look forward to working with all my colleagues to grow tourism, not just in Nevada, not just in Florida, but even in states, beautiful States like Mississippi.

Senator ROSEN. Now, thank you, Senator Scott, and I would like to now introduce here in person our Ranking Member. Senator Wicker.

**STATEMENT OF HON. ROGER WICKER,
U.S. SENATOR FROM MISSISSIPPI**

Senator WICKER. Thank you, Senator Rosen, Senator Scott. And Senator Scott, I share that sentiment with you because we have a number of tourism opportunities, not the least of which is the National Civil Rights Trail and the National Blues Trail, which more and more people are coming to visit, as well as our other more traditional tourism sites. But thank you both for holding this hearing

today to hear industry perspectives on the state of the travel and tourism industry. This is a great topic for the new Tourism, Trade, and Export Promotion Subcommittee.

I expect this committee will be a very busy and I look forward to participating. The travel and tourism industry is a key pillar of the American economy. Before the COVID-19 pandemic, this industry supported roughly 16 million jobs and generated \$1.1 trillion in consumer spending, accounting for over \$2.5 trillion in total economic output. COVID-19 has devastated the industry, perhaps more than any other economic sector in the United States. Nearly 40 percent of the total U.S. jobs lost during the pandemic have been in leisure and hospitality employment. During the worst point of this crisis, unemployment in the travel and tourism industry reached over 50 percent, more than double the National unemployment rate at the height of the Great Depression.

Congress has sought to provide much needed support to help the industry recover. The CARES Act provided urgently needed relief to travel and tourism businesses in the form of grants, emergency loans, and lines of credit. The fifth COVID relief bill, which passed in December as part of the Fiscal Year 2021 Appropriations Act, expanded the industry's access to many of these CARES Act relief programs.

More recently, the American Rescue Plan Act provided \$750 million for the Economic Development Administration to help communities impacted by the loss of travel and tourism. Additionally, the bill included a \$28.6 billion restaurant revitalization fund for restaurants modeled after the bipartisan Restaurants Act, which I drafted with my friend, Senator Sinema, a member of this subcommittee. The Small Business Administration has been tasked with standing up the restaurant fund, and the SBA may start allocating grants very, very soon.

Federal resources should help shore up the travel and tourism sector, but I recognize the impacts of the pandemic will be long lasting. I hope our witnesses today will update the Committee on the current status of the travel and tourism industry, how the increasing availability of COVID-19 vaccines affects opportunities for recovery, and ways the public and private sectors can partner to help restore demand for travel as the public health situation improves—continues to improve.

It may take years to restore travel and tourism to its pre-pandemic levels, but I hope not. I am hopeful that this subcommittee can identify bipartisan opportunities to help the sector heal and prosper much sooner than that. Thank you, Madam Chair.

Senator ROSEN. Thank you. Thank you, Senator Wicker. And I appreciate you being Chairman, Chairman and Ranking Member. Right now, I would like to welcome via WebEx, Senator Cortez Masto. She is my partner in representing Nevada in the Senate. She is a tireless advocate for travel and tourism industry. And I would like to welcome her to introduce to the Subcommittee our witness from Las Vegas. Senator Cortez Masto, I turn it to you to introduce Mr. Hill.

**STATEMENT OF HON. CATHERINE CORTEZ MASTO,
U.S. SENATOR FROM NEVADA**

Senator CORTEZ MASTO. Chair Rosen, thank you so much. Ranking Member Scott, I really appreciate the opportunity to join you today. It is great to be back in the Commerce Committee that I enjoyed serving on when I first came to the Senate. This committee does great work promoting our science, transportation, technology sectors and gives Congress the ability to hold hearings on important sectors like this one on tourism. As you know and as you have stated, tourism is vital to the economic health of our country.

I so appreciate you bringing these experts to talk about the importance of the travel industry to Nevada and to the Nation as a whole. All of these participants are great partners and leaders in the travel industry, which has been so hard hit by the COVID-19 pandemic. And our tourism economy will need our full support as the Nation recovers. That is why I have been working in a bipartisan way on the Hospitality Congress Job Recovery Act with Senator Cramer, along with a bipartisan Step Act with Senators Blunt and Klobuchar, and the Travel Act that I am about to introduce to help elevate tourism at the Department of Transportation.

With that, I appreciate the chance to be here and introduce Steve Hill. Steve has been an economic champion in Nevada for many years. Since being named the CEO and President of the Las Vegas Convention and Visitors Authority in 2018, Steve has done a great job of creating more opportunities for Southern Nevada to be an even more inviting place for our visitors every year. From completion of the Convention Center expansion, to the innovative people mover system, and now weathering this health and economic crisis, Steve has been a solid and steady hand in working to bring us out of this critical challenge to our state and local economy.

I appreciate his partnership on many of the legislative efforts that we have worked on as a Nevada delegation. And again, I appreciate the Committee bringing his expertise in for this hearing today. Thank you.

**STATEMENT OF STEVE HILL, CEO AND PRESIDENT, LAS
VEGAS CONVENTION AND VISITORS AUTHORITY**

Mr. HILL. Thank you, Senator Cortez Masto. That was a very kind introduction. And thank you, Chair Rosen, Ranking Member Scott, for inviting me to be here today. I don't know if it is appropriate to congratulate you on the formation of this subcommittee, but it seems like the right thing to do. And so I would like to congratulate you and also add the appreciation of our industry for doing so. We have great supporters, and Senator Cortez Masto and Senator Rosen, I know they represent Nevada well in our tourism industry.

Well, in the Senate, we have really appreciated being able to work with them on much of the legislation that they sponsored on behalf of the travel industry, so thank you very much. And I am going to emphasize really some of the things that you have already said. Our industry is central to the U.S. economy. It is a big part of the U.S. economy, and it is critical to the recovery of the U.S. economy. As you mentioned, the full strength our industry supports 16 million jobs in the United States, one in every nine jobs. It is

one of the seventh largest industries in the country, and it was certainly the industry most affected by the pandemic.

When our industry is suffering, it's large enough, it has a big enough impact that it is felt throughout all of our communities. It affects all of our suppliers and service providers. And that is from those that you think of initially from restaurants and local attractions, but also the cab drivers and laundries and the construction workers who set up trade shows. The list goes on. Tourism is a significant driver in every state, but this is particularly true in Nevada, where as Senator Rosen mentioned hospitality supports one in four Nevada jobs, two and a half times the National average. The Las Vegas Convention and Visitors Authority is a unique organization in that we are the only entity in a major city in the United States to serve as both the destination marketing organization as well as the Convention and Visitors Bureau. As with many convention centers throughout the country, our mission certainly expanded over the last year, and it includes doing what we could to help the community respond to the pandemic.

We are the state's largest COVID test center. We are currently the state's largest vaccine site. We are a FEMA distribution center. We provided space for courtrooms, for addiction assistance. We have space and the community needed space, and we were happy and proud to be a part of all of those efforts. We recently purchased the Las Vegas monorail system after it was forced to close due to the pandemic. We needed to preserve this important transportation system. And through the last year, we finished the construction of our 1.4 million square foot expansion, and you may have seen last week showcased on the first commercial application of Elon Musk, the Boeing Company's innovative transportation system, which now runs underneath the campus of our convention center. We are here looking forward to both recovery and return to prosperity, and we do hope to be able to speed that up. People in this industry need that. They need their jobs back.

Our State and local Governments need this industry to recover to generate the tax revenue they count on, to provide services. Our customers need to travel, frankly. They need to see their family and friends they haven't seen in the last year. They need to meet a potential new customer, to experience a new culture, or frankly, just to set aside what has happened over the last year and get away for a few days. The first step, part of the recovery, as you all mentioned, will be moving beyond the health crisis and continuing the vaccination process is the key to making that happen. We need to get to the point now where social distancing is no longer necessary.

Like many destinations, Las Vegas doesn't work well without a crowd. And we are optimistic that we are on the cusp of that. We think that it has the ability to happen soon. But once beyond the health crisis, our industry will be faced with a situation that is roughly equivalent to the depths of the Great Recession. That will be where we are once we get past the health crisis and are just simply dealing with the economic fallout as a result. Domestic and leisure travel will recover first, and it is already doing so. We are seeing strength there. But business travel and international travel will certainly take longer. The LVCVA receives a good portion of

our funding through a fixed percentage of room tax, and it is a good indicator of the health of our tourism and hospitality industry. Typically, we would receive about \$300 million a year. In our current Fiscal Year, which ends in June, we will receive about \$100 million. So about a third of our normal revenue. We are projecting next year that we will receive about 70 percent of our normal room tax revenue. So we will show improvement, but it is only about halfway to where we need to be over the next 12 months.

Because the LVCVA is involved in a number of ways—I will just mentioned the transportation and transportation infrastructure in all forms will be a key to recovering fully and having real growth from there. I was honored to serve on the National Advisory Committee on Travel and Tourism Infrastructure 2 years ago. The report we issued then was relatively brief and contained a focused set of recommendations. The key recommendation was to create a National travel infrastructure strategy. We have a National freight plan, but we do not have a full National travel plan. Corridors of regional significance need to be a focus of that strategy. In the West and in Nevada, our state I-15 is one such corridor that affects states, that runs directly through from California to Montana, as well as neighboring states such as Wyoming and Colorado. And the importance of that corridor can be seen in the makeup of this committee, where half of this committee represents states affected by I-15.

So we look forward to working with you, Senator Rosen, on the formation of an I-15 caucus in Congress, and we thank you for your help with that. And again, I would like to thank you, Ranking Member Scott, all the members of the Committee for the opportunity to be before you here today. Thank you for all you have done and all you will do for the travel industry.

[The prepared statement of Mr. Hill follows:]

PREPARED STATEMENT OF STEVE HILL, CEO AND PRESIDENT, LAS VEGAS
CONVENTION AND VISITORS AUTHORITY

Thank you, Chairwoman Rosen and Ranking Member Scott for inviting me before the subcommittee today to speak on the impact of the COVID-19 pandemic on travel and tourism. I also want to thank Chairwoman Cantwell and Ranking Member Wicker of the full committee. Congratulations on the formation of this subcommittee. The additional spotlight on the tourism industry is acutely needed right now; we appreciate your efforts to bring our issues to the forefront.

Our industry is central to the U.S. economy; in 2019, domestic and international travelers spent \$1.1 Trillion which equates to 3 percent of the U.S. GDP and supported approximately 15.8 Million jobs¹. While every economic sector was affected to some degree by the COVID-19 pandemic, the health and safety measures required to battle the spread of the virus, brought our industry to a virtual standstill with a 42 percent decline in U.S. economic output and a 34 percent reduction in jobs².

This industry is a significant economic driver of Las Vegas, its surrounding communities and the State of Nevada. The Las Vegas Convention and Visitors Authority acts as an economic engine for the region; our mission is to promote Las Vegas as a premier destination for both business and leisure travelers; delivering both visitors and economic prosperity for the region. We create iconic global campaigns that deliver on our brand promise, growing and sustaining tourism.

As the only Destination Marketing Organization in the Nation that owns a convention center, we have a unique perspective as both promoter, and stakeholder of the travel and tourism economy. We are the proud owner of the largest column-free

¹ US Travel Association

² US Travel Association

convention space in the world, as the LVCVA has 4.6 Million square feet of convention space that is the home to the Consumer Electronics Show, World of Concrete, Mecum Auto Auctions and more. In a nonpandemic year, we average roughly 60 conventions and 20 special events with a combined total of over 6.5 Million convention attendees.

In order to both serve the region and position the destination as a global leader, we have focused on innovation to help us develop more efficient and sustainable travel infrastructure for both visitors and the workforce who call Las Vegas home.

We recently acquired the region's only monorail system which serves as a quick and safe public transportation option for visitors and area residents to travel between key Las Vegas destinations. Additionally, we partnered with The Boring Company to create the Las Vegas Convention Center Loop which will allow our conventiongoers to navigate our large convention center campus through a revolutionary underground transportation system when it opens in less than a month.

While we have worked hard not to slow down our innovation agenda, the COVID-19 pandemic hit tourism the hardest and Las Vegas, harder still. Our identity as a world-renowned tourism destination, and the thousands of regional jobs that support it, were jeopardized as Las Vegas dimmed its lights to keep not only our residents safe, but contribute to the global effort to combat COVID-19. In 2020, visitor volume plummeted by 45 percent or to 19 Million, compared to over 42 Million visitors in 2019³. Revenue for our organization, which is driven by visitors is down 70 percent, and tourism revenue for the region is down by over 50 percent, and for the state of Nevada, 25 percent⁴.

The resulting economic downturn, as inevitable as it was necessary, placed Nevada once again at the forefront of an unemployment crisis for the second time in a generation. As I speak, it remains one of the highest unemployment figures in the nation, at around 8 percent down from a peak of 13 percent in the depths of the pandemic⁵. The effects were felt even more acutely in Las Vegas, which peaked at almost 15 percent and hovers now at 10 percent⁶. The LVCVA itself has had to furlough 49 percent and layoff 20 percent of our workforce in order to survive the pandemic related downturn. Although we were financially challenged, we maintained our commitment to our workforce and community, providing health insurance for our furloughed staff and serving as a COVID-19 testing site, administering over 85,000 tests in 10 months.

In order to recover, Las Vegas needs to fully reopen. In order to reopen, several factors must take place.

First—vaccine penetration must become widespread. Our Convention Center is a vaccine distribution location, administering over 150,000 vaccines to date. Clark County has administered over one million vaccines and the state of Nevada is coming along with 34 percent vaccine penetration for our population. We are optimistic those numbers will quickly improve as Nevada moved early to offer doses to all adults 16 and older.

In addition to vaccines, the U.S. needs to open international travel. Las Vegas relies on international visitors to deliver a significant percentage of our tourism revenue. Initiatives like replacing quarantine rules with streamlined and uniform testing rules would ensure visitors are healthy and remove the onerous and often unenforceable burden of isolation that many now experience.

Finally, implementing new safety protocols will allow our businesses to stay open in the event of future health concerns. Chairwoman Rosen is leading the effort in the Senate to help small businesses meet the challenge of updating safety infrastructure through the FRESH Air Act, which incents the installation of new air filtration systems which can help reduce the spread of viruses such as COVID-19. We thank you, Madam Chairwoman for your leadership on this issue.

The LVCVA has taken several steps to improve air filtration and ventilation throughout the convention center campus such as increasing total airflow supply and the percentage of circulated outdoor air, per CDC recommendations. We were recently awarded the Global Biorisk Advisory Council, GBAC-STAR facility accreditation from the Worldwide Cleaning Industry Association. This is the gold standard for safe facilities and ensures we have gone above and beyond to address visitor and employee safety aligned with not only state and local directives, but with emerging global standards.

³LVCVA Research Center

⁴LVCVA Research Center

⁵US Bureau of Labor Statistics

⁶US Bureau of Labor Statistics

As we reopen Las Vegas and our Nation to leisure and business travel, the LVCVA intends to continue on its path to innovate the travel experience in Las Vegas for the benefit of our visitors, our environment and our workforce.

As the pandemic and its lingering effects change the way Americans travel, we expect more vehicular traffic coming in and out of the Las Vegas area. I-15, stretching from Los Angeles to Las Vegas and north to Salt Lake City, is already one of the most heavily trafficked stretches of highway in the Nation and was identified by the U.S. Department of Transportation as one of the Nation's "Corridors of the Future." The congestion issues along I-15 not only create delays and safety challenges for travelers and freight, but also degrades air quality throughout the region.

To focus regional attention on this vital economic corridor, we are working with Members of Congress to form a Congressional I-15 Caucus and we thank you Chairwoman, for working to make this Caucus a reality in the Senate. We look forward to partnering to find modern solutions to support the vitality of the corridor.

Additionally, as we look ahead, we are partnering with our regional transportation authorities, the Nevada Department of Transportation, the Southern Nevada Regional Transportation Commission and the Nevada Governor's Office of Economic Development to develop a regional infrastructure plan that connects tourism and visitor traffic to the overall picture of travel in the area.

We are proud of the role Las Vegas played in keeping Americans and Nevadans safe over the past year, but it was not without significant sacrifice on the part of the tourism workforce—the lifeblood of our community.

As we have in the past, we will recover. Again, I thank you for inviting me today, and I am happy to take any questions you may have.

Senator ROSEN. Next is Jorge Perez, Regional Portfolio President at MGM Resorts International. Mr. Perez oversees the strategic direction for eight of MGM's Resorts properties. Mr. Perez is an industry veteran with 25 years of experience in the hospitality industry. Mr. Perez, I recognize you for your opening remarks.

**STATEMENT OF JORGE PEREZ, REGIONAL PORTFOLIO
PRESIDENT, MGM RESORTS INTERNATIONAL**

Mr. PEREZ. Good afternoon. Thank you, Chairwoman Rosen, Chairwoman Cantwell, Ranking Member Scott, and Ranking Member Wicker, and members of the Subcommittee. As you mentioned, my name is Jorge Perez. I am the Regional Portfolio President. I oversee the eight regional domestic properties for MGM Resorts outside of Las Vegas. And I appreciate the opportunity to provide testimony on behalf of our organization and to share some of our experiences during this incredibly challenging year. MGM Resorts International is a global entertainment company with 29 unique hotels and gaming destinations across eight States and Macao. Last year was one of the most difficult years ever faced by our industry, our company, and by our employees.

MGM first felt the impacts of the pandemic at our properties in Macao, which closed in February 2020, and shortly thereafter in March 2020, our regional properties were closed and then eventually our Las Vegas properties, leaving the strip closed for the very first time in its history. Like many, we face a number of difficult decisions, including having to furlough a significant portion of our work force. But during this time of great hardship, our company and team members sought ways to demonstrate care and compassion for one another, and for the most impacted in our communities. We provided extended health benefits for our employees and their families. We dispersed over \$15.5 million to help employees during the pandemic via our employee emergency grant fund. And within days of shutting down, we donated hundreds of thousands of meals to people in need.

MGM also helped to procure much needed PPE for medical professionals, including masks, gowns, and gloves. We continue to focus on our commitment to the communities that have welcomed us, to give generously to our neighbors and embody our core values, embracing humanity every day. While it has been a year of hardship, it has also been a year of innovation and change. When we reopened our properties, we drastically overhauled our operations.

MGM implemented comprehensive protocols via our seven point health and safety plan, which included installation of plexiglass dividers, handwashing stations across our resorts, digital innovations, including touchless menus in restaurants and our bars, the ability for our guests to check-in utilizing a mobile phone, enhanced HVAC protocols, temperature testing for team members and our guests, and on-site rapid COVID-19 test for our events, just to name a few.

As the world strives to return to normal, we appreciate the continued leadership and support of the Federal Government. The coronavirus relief bills passed by Congress helped so many around the country, our furloughed employees with extended unemployment benefits, our small business partners through the Paycheck Protection Program, and MGM through the Employee Retention Tax Credit, which helped provide extended health benefits for employees and their families. Notwithstanding these efforts, the country's travel and tourism industries and our workers have been hit disproportionately hard. Nationwide, as mentioned earlier, travel spending was down \$500 billion, costing the U.S. economy about \$1.1 trillion.

At the current pace, the travel industry is not expected to fully recover until 2025, but we are hopeful the recovery will arrive much sooner. There are key political initiatives that can help our industry achieve a speedy recovery and the nearly 16 million American workers that it employed before the pandemic. One of the biggest policy priorities for the traveling tourism industry is the bipartisan legislation introduced by Senator Catherine Cortez Masto and Senator Kevin Cramer, the Hospitality and Commerce Job Recovery Act of 2021, which provides various tax credits to stimulate our industry.

Additionally, it would assist the convention and trade show sector, which was disproportionately impacted and is so crucial to the industry's recovery. We also welcome the safe and science-based easing of Government restrictions, which will permit us to bring back more of our world renowned amenities to a greater number of guests, allowing us to bring back more of our employees. At MGM, we understand the need to remain diligent and maintain our focus on the well-being of our employees and our guests. Vaccination is a critically important tool in helping to end a pandemic and accelerate our community's economic recovery.

We are committed to doing anything we can to help get as many people vaccinated as quickly as possible by removing barriers to access and bringing vaccination clinics directly to our employees. It has been a difficult year, but there is great reason for cautious optimism, and we are starting to see signs of recovery. We at MGM Resorts await the ability to welcome and entertain the world with-

out restriction, and to help our guests celebrate life to its fullest. Thank you for the opportunity to present testimony today.

[The prepared statement of Mr. Perez follows:]

PREPARED STATEMENT OF JORGE PEREZ, REGIONAL PORTFOLIO PRESIDENT,
MGM RESORTS INTERNATIONAL

Chairwoman Rosen, Ranking Member Scott, and Members of the Subcommittee:

My name is Jorge Perez and I am the Regional Portfolio President for MGM Resorts International. I appreciate the opportunity to provide testimony on behalf of MGM Resorts and our experience during the past year as the country and the world has been ravaged by the coronavirus pandemic.

MGM Resorts International is a global entertainment company with 29 unique hotel and gaming destinations across eight states domestically and Macau. Last year was one of the most difficult years ever faced by our industry, company, and employees. The coronavirus has created a worldwide crisis, a disruption and uncertainty at a scale that would have been unimaginable before 2020.

MGM Resorts first felt the impacts of the pandemic at our properties in Macau, which closed on February 5, 2020. In March of 2020, each of our regional properties closed. And those shutdowns were followed by Las Vegas—with the Las Vegas Strip going dark for the first time in its history. Our properties in Las Vegas and regionally were closed for months. Like many, MGM Resorts faced a number of difficult decisions, including widespread furloughs and workforce reductions. We furloughed as many as 60,000 members of our team.

During this time of great hardship, MGM Resorts and our team members sought ways to demonstrate great care and compassion for one another and for those most impacted in our communities.

MGM Resorts provided extended health benefits for tens of thousands of employees and their families. Our MGM Resorts Foundation Employee Emergency Grant Program disbursed over \$15.5 million to help employees pay for financial difficulties faced during the pandemic, covering over 21,000 bill payments. Thanks to the tenacity of our chefs and our long-standing community partnerships, within days of shutting down, MGM Resorts donated more than 662,000 pounds of food—or 552,000 meals—to various community organizations.

We also worked to help with the significant shortage of personal protective equipment (PPE) for our medical professionals. MGM Resorts leveraged our supply chain, procurement capabilities, and other resources to provide urgent logistical support to manage supply shortages. Through our colleagues in Macau, we procured and delivered 261,000 gowns, 200,000 gloves, and 500,000 KN-95 masks in Nevada. We continue to focus on our commitment to the communities that have welcomed us, to give generously to our neighbors, and embodying our core value of embracing humanity every day.

Due to the pandemic, families and friends were unable to get together. Your committee, and others, have needed to adjust how you work and we are here today, joining each other virtually. Just as the Nation and the world, and this committee, has had to adjust their way of living, MGM Resorts has had to adjust our way of conducting business.

While it has been a year of hardship, it has also been a year of innovation and change. When we reopened our properties, we overhauled our operations drastically. Developed in consultation with scientific, medical, and public health experts, we implemented comprehensive health and safety protocols, including installing plexiglass dividers and handwashing stations throughout our resorts; digital innovations such as contactless check-in/check-out and restaurant menus; enhanced HVAC protocols; temperature testing for team members and guests; and on-site rapid COVID-19 testing for events, just to name a few.

As the world strives to return to normal, we appreciate the continued leadership and support of the Federal government. Coronavirus relief bills passed by Congress helped so many around the country—whether it be our small business partners through the Paycheck Protection Program or MGM through the Employee Retention Tax Credit (ERTC), which helped us in our efforts to provide extended health care benefits to our employees and their families while our properties were shuttered.

Notwithstanding these efforts, the country's travel and tourism industries, and our workers, have been hit disproportionately hard. At MGM Resorts, our Las Vegas resorts were particularly impacted versus our Regional properties as both domestic and international customers chose to stay closer to home and their mid-week reliance on the Convention and Trade Show sector. Our Regional Resorts experienced

a slight benefit from the lack of competition in local markets as dining and entertainment options were limited.

Nationwide, travel spending was down \$500 billion, costing the U.S. economy \$1.1 trillion. At the current pace, the travel industry is not expected to fully recover until 2025¹. We are hopeful that this estimate is not accurate, and that recovery will arrive much sooner than 2025. There are key policy initiatives that can help the industry—and the nearly 16 million American workers it employed before the pandemic—achieve a speedier recovery.

One of the biggest policy priorities for the travel and tourism industry is the bipartisan legislation introduced by Senator Catherine Cortez Masto (D–NV) and Senator Kevin Cramer (R–ND), the *Hospitality and Commerce Job Recovery Act of 2021* which provides individual tax credits to stimulate nonbusiness travel, restores the entertainment business expense deduction, and would provide tax relief for restaurants and food beverage companies. Additionally, it would assist the convention and trade show industry, which saw a year-over-year decline of 98.3 percent from the fourth quarter of 2019 to 2020². The bill would establish a temporary tax credit to support the industry by providing tax credits for costs associated with reopening convention and trade show facilities, including any renovation, remediation, PPE, cleaning, testing, or associated labor costs. We are looking forward to welcoming conventions back to our resorts and welcoming them back safely.

We welcome the safe and science-based easing of government restrictions, which will permit us to bring back more of our world-renowned amenities to a greater number of guests, allowing us to bring back more employees. At MGM Resorts, we understand the need to remain vigilant and maintain our focus on the wellbeing of our employees and our guests. Vaccination is a critically important tool in helping to end the pandemic and accelerate our community's economic recovery. We are committed to doing all that we can to help get as many people vaccinated as quickly as possible by removing barriers to access and bringing vaccination clinics directly to our employees in Nevada, Michigan, and other states where we operate. Throughout our footprint, we have worked with local partners to offer vaccinations to our employees at no cost.

It has been a difficult year, but there is great reason for cautious optimism. We at MGM Resorts await the ability to welcome and entertain the world without restriction and to help our guests celebrate and live life to its fullest.

Thank you for the opportunity to present my testimony.

Senator ROSEN. Thank you, Mr. Perez. Testifying next is Tori Emerson Barnes, Executive Vice President of Public Affairs and Policy at the U.S. Travel Association. Ms. Barnes leads the U.S. Travel Association's Government relations, policy development, communications, marketing, and research teams. Ms. Barnes is here with us today in person. And I recognize you for your opening remarks.

**STATEMENT OF TORI EMERSON BARNES,
EXECUTIVE VICE PRESIDENT, PUBLIC AFFAIRS
AND POLICY, U.S. TRAVEL ASSOCIATION**

Ms. BARNES. Thank you, Chair Rosen and Ranking Member Scott and members of the Subcommittee. Good afternoon. I am Tori Emerson Barnes, Executive Vice President of Public Affairs and Policy for the U.S. Travel Association. We are the only Association that represents all sectors of the travel industry, and I am very happy to be here in person and grateful for the leadership that you are putting forward here today. Before the pandemic, \$1.1 trillion in travel spending generated \$2.6 trillion economic impact and supported 16 million American jobs. This came to a halt at the onset of the pandemic.

Last year, travel spending fell 42 percent, costing the economy \$500 billion in lost travel spend. International inbound visitation

¹ U.S. Travel Association

² Center for Exhibition Industry Research

declined 76 percent and business travel spending fell 70 percent. Additionally, 5.6 million travel-supported jobs were lost, accounting for 65 percent of all jobs lost to the pandemic. At the State level, Nevada, Florida, and Washington State suffered travel spending declines of more than 40 percent. Travel spending fell 26 percent in Mississippi. Currently, the travel industry is expected to take 5 years to recover from this crisis, and that is far too long to wait. While we expect domestic leisure travel to recover more quickly, a full rebound is not certain, and it won't make up for losses in other segments.

Professional meetings and events, which are the travel industry's largest generator of spending revenue, are still restricted in many states. This sector is projected to take 4 years to recover. And with our borders still closed to much of the world, international travel to the U.S. will take as many as 5 years to return to pre-pandemic levels. With the uncertainty around reopening, it could be even longer. U.S. Travel has identified four key priorities to restore travel demand, accelerate rehiring, and shorten the recovery timeline. First, we must safely and quickly reopen international travel. We have the right protections in place to safely reopen, but we don't have clear public health benchmarks or a definitive timeline to return—to open our borders. U.S. Travel has urged the Biden Administration to develop, by this May, a roadmap and a timeline for lifting entry restrictions with the goal of reopening international travel by July.

We can start by establishing public health corridors between the U.S. and other low risk countries such as the United Kingdom. Second, the CDC should approve clear guidance that states and localities can use to lift restrictions and safely restart professional meetings and events. Nearly all sectors of the economy have clear guidelines to allow them to reopen amid the pandemic. Business meetings are distinct from other mass gatherings due to the level of control that can be implemented and should not remain closed while the rest of the economy is given the green light to reopen. Third, Congress should enact the Hospitality and Commerce Jobs Recovery Act to spur demand and accelerate rehiring. This bill would increase travel demand among low to middle income families by providing targeted and temporary refundable tax credits to travel while also helping to boost demand, spending and rehiring.

The bill would also provide refundable tax credits to encourage professional meetings and events to restart. Further, Oxford Economics estimates that enacting this bill would shorten the recovery timeline from 5 years to just three, while creating an incremental 1.5 million jobs and generating nearly \$600 billion in spending. Fourth, Congress should provide temporary emergency funding for Brand USA, America's destination marketing organization. Over the last 7 years, Brand USA's marketing efforts has generated a 26 to 1 return on investment for the U.S. economy.

However, the drastic decline in ESTA fee collections due to international travel restrictions, combined with scarce private sector contributions during the economic crisis, have decimated the program's funding. If Brand USA is unable to continue its important work, international travel recovery will be severely limited. Specific policies can also be implemented to improve the industry's long

term competitiveness and ensure that we come back stronger than ever. These policies include passing the Visit America Act, which Senator Sullivan introduced last year to elevate travel leadership in the Federal Government. This would strengthen the Commerce Department's role in coordinating Federal travel policies and set consistent National goals and strategies to boost travel exports.

Finally, investing in our country's infrastructure will help facilitate travel and better prepare us to welcome back visitors from around the world. By prioritizing infrastructure investments now, the U.S. can emerge from the pandemic and rebuild the travel industry with stronger, more connected systems than ever before. We need the Federal Government to enact the right policies to ensure all sectors of travel can recover as quickly as possible.

And any delay in reopening any segment will only hurt our economy further. Thank you again for inviting the travel industry to testify today on such a devastating economic impact of the pandemic, and I welcome your questions. Thank you.

[The prepared statement of Ms. Barnes follows:]

PREPARED STATEMENT OF TORI EMERSON BARNES, EXECUTIVE VICE PRESIDENT,
PUBLIC AFFAIRS AND POLICY, U.S. TRAVEL ASSOCIATION

Chairwoman Rosen, Ranking Member Scott, Chairwoman Cantwell, Ranking Member Wicker, and members of the subcommittee, good afternoon.

I'm Tori Emerson Barnes, Executive Vice President of Public Affairs and Policy for the U.S. Travel Association. Thank you for inviting the travel industry to participate in this critically important hearing.

U.S. Travel is the only association that represents all sectors of the travel industry—airports, airlines, hotels, state and local tourism offices, cruise lines, car rental companies, theme parks and attractions and many others. All of these sectors of travel are crucial to our broader industry's economic revival and should be treated equitably as we develop strategies to restart and restore widespread travel.

Before the devastating COVID-19 pandemic, \$1.1 trillion in traveler spending in the U.S. generated a \$2.6 trillion total economic impact and supported 15.8 million jobs in 2019.¹ Travel was the second largest industry export and largest service industry export, generating a trade surplus of \$51 billion.

This all came to a halt at the onset of the public health crisis. As this subcommittee is well aware, travel and tourism is the hardest-hit industry in the economic fallout of the pandemic. And now we know what happens when the world stops moving: Economies and livelihoods are decimated. In 2020, travel spending in the U.S. plummeted 42 percent, costing the U.S. economy \$500 billion in lost travel spending.² Both Nevada and Florida suffered travel spending declines of more than 30 percent. Travel spending tumbled 44 percent in Washington and 22 percent in Mississippi.³

These spending declines gutted the travel workforce: 5.6 million travel-supported jobs were lost, accounting for 65 percent of all jobs lost in the U.S.⁴

Currently, the travel industry is expected to take five years to recover from this crisis; that is far too long to wait. While we expect domestic leisure travel to be the segment of our industry that recovers the fastest, a rebound is *not* inevitable. Low-to-middle income families have been hardest-hit by the pandemic and research shows they are less likely to travel in the next year. Business meetings, conventions and events are still severely restricted in many states, and this sector—which also happens to be the largest revenue generator and job creator—is projected to take four years to recover. And, with our borders still closed to much of the world, inter-

¹ https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_US-Tra-vel-Answer-Sheet.pdf

² https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_Industry-Table.pdf

³ https://www.ustravel.org/research/travel-recovery-insights-dashboard?utm_source=MagnetMail&utm_medium=e-mail&utm_content=3%2E25%2E21%20%2D%20COVID%20Research%20Monthly&utm_campaign=ust

⁴ https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_Industry-Table.pdf

national travel to the U.S. will take more than five years to return to pre-pandemic levels—and with the uncertainty around reopening, it could even longer.

We *must* implement the right strategies now to restart widespread travel. U.S. Travel has identified four key priorities to restore travel demand, accelerate rehiring and shorten the timeline for recovery:

1. First, we must safely and quickly reopen international travel.
2. Second, the CDC should approve clear guidance to safely restart professional meetings and events.
3. Third, Congress must enact the Hospitality and Commerce Job Recovery Act to spur incremental demand and accelerate rehiring.
4. Fourth, Congress should provide temporary emergency funding for Brand USA to welcome visitors back to the U.S.

Specific policies can also be implemented to improve the industry’s long-term competitiveness and ensure we come back stronger and better than ever, such as:

1. Enact the Visit America Act to establish permanent leadership in Federal government on travel policies.
2. Invest in repairing and modernizing travel infrastructure.

Reopen international inbound travel

First, U.S. Travel has urged the Biden administration to set, *by this May*, a timeline for lifting entry restrictions and reopening international travel. If nothing is done to restore international travel, a total of 1.1 million American jobs and \$262 billion in spending will be lost by the end of 2021.⁵

However, our research shows that if the U.S. can restart international travel by the second quarter of this year, it can have a dramatic impact on restoring jobs. If international travel from the top inbound markets (such as the United Kingdom, Canada and the European Union), can reach an average of just 40 percent of 2019 levels by the end of 2021, we can restore an additional 225,000 jobs and \$30 billion in travel exports this year alone.⁶

Even small steps will go a long way. For example, if the U.S. can quickly establish a public health corridor between the U.S. and the U.K.—while avoiding quarantines upon arrival—it could add 1.9 million arrivals and \$4.4 billion in spending in 2021 alone.⁷

The good news is that we can reopen international travel without compromising safety. A Harvard study found that the risk of COVID–19 transmission while flying is already low and the Federal mask mandate has made flying even safer.⁸ All inbound international passengers must now provide proof of a negative COVID–19 test within 72 hours of departure, effectively eliminating the need for quarantines. Further, the Centers for Disease Control and Prevention’s (CDC) own guidance says that fully vaccinated travelers are less likely to get and spread COVID–19.⁹ Finally, the vaccination rate among U.S. adults is growing rapidly each day and as we begin to reach a saturation point, vaccinated individuals ought to be able to come to the U.S. without having to have proof of a negative COVID test.

While we have the right protections in place to restart international travel and keep our country safe, we do not have clear public health benchmarks or a definitive timeline to reopen our borders. The CDC, Department of Transportation, Department of Homeland Security and other agencies must quickly come together to develop a data-driven, risk-based roadmap by May to rescind international inbound travel restrictions by July 2021.

This plan should start by quickly establishing “public health corridors” between the U.S. and other low-risk countries, like the U.K. The CDC should then use clear benchmarks, such as infection and vaccination rates, to determine when entry restrictions can be lifted for other countries. The development of uniform Federal standards for digital health credentials can also facilitate safe travel. While vaccines should never be a requirement to travel, digital health credentials can verify both

⁵ https://www.ustravel.org/sites/default/files/media_root/International%20reopening%20fact%20sheet%20data_2021.pdf

⁶ https://www.ustravel.org/sites/default/files/media_root/International%20reopening%20fact%20sheet%20data_2021.pdf

⁷ https://www.ustravel.org/sites/default/files/media_root/International%20reopening%20fact%20sheet%20data_2021.pdf

⁸ <https://cdn1.sph.harvard.edu/wp-content/uploads/sites/2443/2020/10/APHI-Phase-I-Press-Release.pdf>

⁹ <https://www.cdc.gov/coronavirus/2019-ncov/travelers/travel-during-covid19.html>

test results and vaccination history, protect personal privacy, and work across local, state and international borders.

The subcommittee can help impress upon the White House and other agencies the urgent need to develop this plan and support them in developing it.

Restart professional meetings and events

Similar to international travel, our industry cannot recover without a resumption of professional meetings and events. Business travel spending in the U.S. fell 70 percent from \$348 billion in 2019 to just \$103 billion in 2020. To put this in real terms, as leisure travel businesses and destinations are experiencing slight increases in demand, convention hotels remain empty. Restaurants, caterers, event organizers and AV companies are without customers. Rental car lots are full. Business travel, including professional meetings and events, is one of the most lucrative and important segments of travel and it must be restored in order to get the industry back on its feet.

It must be acknowledged that it is possible to resume professional meetings and events safely. Professional meetings and events are distinct from other mass gatherings due to the level of control that can be implemented, and therefore should not be singled out while the rest of the economy is given the greenlight to reopen. The CDC should provide or approve safety guidance—such as mask wearing, sanitation and physical distancing—that states and localities can use to lift restrictions on small, medium and large business events. The Federal government must embrace the leadership role it can play in helping to restart this vital sector of the economy responsible for so many good-paying jobs.

Enact the Hospitality and Commerce Job Recovery Act

Simply reopening international and business travel won't be enough on its own. Congress can play a direct role in shortening the timeline for recovery and quickly restoring jobs in every region of the country.

In the travel industry, hiring is directly connected to demand. When demand for travel increases and customers return, travel employment happens immediately. But, as mentioned previously, travel demand and employment are forecast to take five years to reach 2019 levels. However, we can accelerate demand and rehiring by enacting the Hospitality and Commerce Job Recovery Act (HCJRA).

While domestic leisure travel will come back first, the rebound in demand will not be equitable. Research by McKinsey shows that low-to-middle income families, who have been hit hardest by the pandemic, are 29 percent to 16 percent less likely to travel in 2021 compared to high-income families. The HCJRA would focus on increasing travel demand among *all* households by providing targeted and temporary refundable tax credits for low-to-middle income families to take a trip, while simultaneously helping to boost spending, demand and rehiring.

The bill would also provide refundable tax credits to encourage the resumption of business meetings, conventions and events, and defray the costs of hosting these job-generating gatherings.

Together, with other targeted measures in the bill, Oxford Economics estimates that enacting the HCJRA would shorten the recovery timeline from five years to just three, while creating an incremental 1.5 million jobs and generating nearly \$600 billion in spending.

Support and protect Brand USA

Third, we are asking Congress to support \$250 million in emergency funding for Brand USA, the United States' destination marketing organization. Brand USA does the important work of promoting the U.S. to international visitors. Over the past seven years, Brand USA's marketing efforts have generated 7.5 million incremental visitors to the U.S. who spent nearly \$25 billion, supporting more than 50,000 incremental jobs each year.¹⁰

However, the drastic decline in ESTA fee collections (which fund Brand USA, in part) due to international travel restrictions and scarce private sector contributions amid the economic crisis has severely diminished the program's funding. If Brand USA is unable to continue its work of promoting the U.S. once borders reopen, the international inbound travel segment's recovery will be severely hampered. We cannot restore international travel or compete in the global travel market without Brand USA.

¹⁰<https://www.thebrandusa.com/media/newsletters/article/brand-usa-fiscal-year-2019-roi-study-oxford-economics>

Advance the Visit America Act

Fourth, there are also measures that Congress can enact to make America's travel industry stronger and more globally competitive than ever before.

The Visit America Act, which was introduced by Senator Dan Sullivan in the last session of Congress, would strengthen the Commerce Department's role in coordinating Federal travel policies, set consistent national goals to boost travel exports and develop clear strategies to achieve them.

The bill importantly creates the role of Assistant Secretary of Commerce for Travel and Tourism, who would be responsible for setting an annual goal for the number of international visitors to the U.S., providing support for improved visitor visa processing and promoting travel exports. Specifically, the bill directs the Department of Commerce to develop a 10-year travel and tourism strategy with the goal of achieving, by 2028, 116 million annual international visitors to the U.S. and \$445 billion in travel exports.¹¹ The U.S. is the only country among the top 30 destinations worldwide that does not have a cabinet- or subcabinet-level leadership for travel, putting the U.S. at a competitive disadvantage.

As travel exports declined 64 percent from \$234 billion in 2019 to just \$83 billion in 2020, a Federal strategy to boost travel exports will be vital to the travel industry's overall recovery.¹²

Improve America's travel infrastructure

Lastly, we are urging Congress to prioritize legislation to improve America's travel infrastructure to facilitate domestic travel and to better prepare to welcome back visitors from around the world.

Even before the public health crisis, cities and towns were growing further apart due to aging, insufficient infrastructure and congested roadways. By prioritizing infrastructure investments that enhance the economic contributions of travel and improve passenger mobility, the U.S. can emerge from the pandemic and rebuild the travel industry with stronger, more connected infrastructure systems than ever before.

This committee has played a leadership role in establishing national strategies, networks and programs to improve the mobility of freight. It's time to develop and fund the same type of national strategies and programs to improve the mobility of people. By ensuring discretionary grant and formula programs target investments towards projects that improve national travel mobility and achieve the goals of the National Travel and Tourism Infrastructure Strategic Plan, this committee can help change the way America moves.

Closing

One thing is clear: there are both challenges and opportunities ahead. The travel industry will not recover on its own. Travel has suffered more than any other industry throughout this crisis, and we need the Federal government to enact the right policies to ensure all sectors of travel can recover as quickly as possible. There is a great deal at stake, and any delay in restarting widespread travel will only hurt the economy further.

Thank you again for inviting the broader travel industry to testify on the devastating economic impact of the pandemic on our industry. We look forward to working with you on these solutions to restore this crucial economic sector and I welcome your questions. Thank you.

Senator ROSEN. Thank you, Ms. Barnes. Our final witness is Carol Dover, President and CEO of the Florida Restaurant and Lodging Association. Ms. Dover also serves as a member of several boards, including the Board of Directors for the National Restaurant Association, Council of State Restaurant Associations, and International Society of Hotel Association Executives. Ms. Dover, I recognize you via WebEx for your opening remarks.

¹¹<https://www.congress.gov/bill/116th-congress/senate-bill/3831>

¹²https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_Industry-Table.pdf

**STATEMENT OF CAROL B. DOVER, PRESIDENT AND CEO,
FLORIDA RESTAURANT AND LODGING ASSOCIATION**

Ms. DOVER. Thank you, Chair Cantwell, Ranking Member Wicker, and subcommittee Chair Rosen and Ranking Member Scott, and other distinguished members for the opportunity to be here to represent Florida's hospitality industry. For more than 26 years, I have led the Florida Restaurant and Lodging Association, FRLA, which represents over 10,000 members from the biggest names in hotels, restaurants, theme parks, to small independent operators and suppliers. Hospitality and tourism is the largest industry in Florida, and it is the economic engine of our state. In 2019, a record setting 131 million visitors added nearly \$97 billion to Florida's economy. Tourism was Florida's largest employer, with over 1.5 million employees.

Before COVID, our nearly \$112 billion hospitality industry was booming, with hundreds of new hotels, thousands of new restaurants, and we were on track to set new records. When COVID hit, we were shell shocked. More than 62 percent of Florida's hospitality employees were furloughed or laid off. Hotels, restaurants, bars, cruise lines, theme parks shut down, air travel stopped, business conferences and large events were canceled.

The FRLA went into overdrive to help our members survive, interpreting executive orders and serving as an information clearinghouse. We helped our workers get PPE and other COVID supplies. We were heavily engaged with our State and Federal leaders and are grateful for the support of Senators Scott and Rubio. We were blessed to work closely with Governor DeSantis by assisting to create guidelines and safety protocols to get our industry reopened. There were many creative solutions that our industry embarked upon, from opening grocerants, to putting up dining tables in parking lots. Alcohol to-go became a critical revenue source for restaurants, and we were working now with the Florida legislature to try to make that permanent. We have worked with our National Association partners on Federal relief packages that have been critical to our survival.

Our industry is also facing historic workforce challenges. Although we are allowed to operate at 100 percent capacity in Florida, we can't find staff. Simply put, we are competing with State and Federal unemployment benefits. Workers tell us that they make too much money on unemployment to return to work, so businesses are forced to limit capacity, shorten their hours without adequate staff to serve guests. Florida is open for business, but we are desperate for workers. COVID has decimated the U.S. tourism industry, which suffered more than \$500 billion in pandemic-related losses. Half of the U.S. hotel rooms are projected to remain empty this year, and hotel employment will not come back until at least 2023. Business travel, the single largest source of hotel revenue, will remain down 85 percent and it is going to take years to recover. Thousands of hotels have closed and have been foreclosed. Florida had the second highest hotel job loss in the Nation behind California.

Restaurants have also been shattered, from Nationwide shut-downs to ban on indoor dining to misleading claims about the safety of restaurants, 2020 ended with total sales that were \$240 bil-

lion less than projections. Nationally, more than 8 million restaurant employees were laid off or furloughed, and 600,000 of them were in Florida. More than 110,000 restaurants closed permanently, including over 10,000 of those in Florida. Nationally, the restaurant industry lost nearly 2.5 million jobs. We are hopeful that PPP, tax credits, and the recently passed Restaurant Revitalization Fund have been huge victories. The RRF will provide \$28.6 billion in grants for restaurants who desperately need it.

Thank you, Ranking Member Wicker and committee member Sinema, for your bipartisan work in creating the Restaurant Act to keep us open. Travel, tourism, and the hospitality industries have faced the worst years in history. In Florida, we understand emergencies, but there was no playbook for COVID-19, and nothing has ever tested us like this. We love creating memorable experiences for guests that keep coming back, but we need for them to be able to come back. International visitors, cruises, business travel, we are working to rebuild this industry that we love so dearly. We are hospitality strong, but we have no problem asking for your help and we still desperately need your support as we rebuild. Thank you, Chair, and I will be happy to take any questions that you may have.

[The prepared statement of Ms. Dover follows:]

PREPARED STATEMENT OF CAROL B. DOVER, PRESIDENT AND CEO,
FLORIDA RESTAURANT AND LODGING ASSOCIATION

Good afternoon. I want to thank Chair Cantwell and Ranking Member Wicker, Subcommittee Chair Rosen, and Ranking Member Scott, as well as the many distinguished members of this subcommittee for the opportunity to be here today to represent Florida's hospitality industry and discuss COVID-19 impacts to travel and tourism. Across the nation, our leaders have been challenged with balancing public and economic health throughout the pandemic, and the hospitality, travel, and tourism industries have been disproportionately affected.

I have had the honor of leading the Florida Restaurant and Lodging Association (FRLA) for 26 years and have spent most of my life in the hospitality industry. I am also active on the Board of Directors for both the National Restaurant Association and the American Hotel and Lodging Association and am eager to discuss the status of our industry and what we have been doing in Florida.

FRLA represents everyone from the biggest brands in theme parks, hotels, restaurants, and suppliers, all the way down to small, independent restaurants and hotels. We have been working with all of them to adapt to new business practices and help their employees since the beginning of the COVID-19 pandemic.

Throughout my tenure at FRLA, I have watched the growth of the hospitality and tourism industry to become the largest one in Florida, a top employer, and the economic engine for our state. Travel and tourism directly affect the success of our hospitality industry, so it is important to share some data from our partners at VISIT FLORIDA on the power of tourism in Florida.

Tourism is Florida's top economic driver. In 2019, a record-setting 131.4 million visitors added nearly \$97 billion to Florida's economy. That is more than the entire GDP of 13 other states. Pre-COVID, Florida tourism was growing faster than the U.S. economy, consumer spending, health care spending, and spending on recreation. Every 81 visitors equal one Florida job, and tourism keeps Florida's taxes low. Latest data shows that tourism accounted for 13.4 percent or more than \$3.22 billion of total state sales tax collections. Our visitors save every Florida household more than \$1,500 a year on state and local taxes.

In the five years prior to COVID, nearly 300 new hotels and more than 9,500 new restaurants opened. We were on track to continue to set records. Pre-COVID, we were a nearly \$112 billion industry with more than 1.5 million employees. Florida has so much to offer with our beautiful beaches, unparalleled attractions, and the finest hotels and restaurants across that nation. Our hotels enjoyed fully booked capacities, and our restaurants were full.

When 2020 began, our industry was projected to have a banner year with continued growth, increased tourism, and records sales. Florida is one of the top tourism destinations in the world and our visitors have a significant impact on hospitality revenues. Pre-COVID, we were a top location for convention business, and our travelers and visitors accounted for a huge percentage of restaurants sales. Nationally, they accounted for about 30 percent of overall restaurant sales: 35 percent for full service and 25 percent for limited service.

As we entered 2020, things were looking good. We had no idea what was about to hit us. Our industry experienced a severe and sudden shock as we were shut-down. More than 934,000 of our 1.5 million employees were almost immediately furloughed or laid off. Businesses including restaurants and bars were shut down, air travel stopped, and business conferences and large events were cancelled.

The Florida Restaurant and Lodging Association went into overdrive, working around the clock to interpret executive orders for our members, advocate for the best possible outcomes for our businesses and workers, and get accurate information out as quickly as possible. We engaged with our state and Federal leaders. We are grateful to our wonderful Senators Scott and Rubio for their support and promotion for the CARES Act, PPP, and Federal relief, and we have been blessed to work closely with our great Governor, Ron DeSantis, to get our industry re-opened and on the road to recovery.

We fought hard to keep carryout and curbside pick-up and expand allowances for outdoor dining. We had restaurants putting up tables down sidewalks and in their parking lots. Many opened grocer-aunts to sell goods like toilet paper and other supplies, along with pre-packaged, cook-at-home meals to their guests. Many hotels and restaurants had to make very difficult staffing decisions, sometimes laying off people who had worked with them for decades—people they considered family. And they kept those who they could and employed them in any way they could. Managers were cleaning restaurant bathrooms and hotel suites, hostesses were making necessary restaurant repairs, and everyone pitched in to do whatever was needed.

Alcohol-to-go became a lifeline for restaurants as Governor DeSantis issued an executive order allowing for alcohol sales for consumption off-premises—something that we are working to codify permanently through the Florida Legislature right now.

We worked hard to keep our association members informed and connected to important COVID supplies and resources like PPE, and we even secured more than one million masks for our hospitality workers from the U.S. Department of Health and Human Services when masks were hard to find. We conducted giveaway events for the workers and made sure they were connected to other important resources for support.

FRLA and our members were heavily engaged on Governor DeSantis' Re-opening Task Force, creating re-opening guidance and safety procedures for hotels and restaurants along with our great partners at the National Restaurant Association, the American Hotel and Lodging Association (AHLA), and the Asian American Hotel Owners Association (AAHOA). We strongly advocated for Federal relief like the CARES Act and the Paycheck Protection Program, which was truly the difference between survival of our businesses and them being forced to close their doors and leave their teams without work.

As our Governor implemented his re-opening plan and counties began opening gradually, building consumer confidence was critical. FRLA launched our Seal of Commitment program to provide enhanced sanitation and COVID safety training for the industry which would result in a Seal they could display as a promise to build confidence for both employees and guests and to demonstrate that the staff are well-trained, and that the establishment exceeds sanitation protocols. We are also working with AHLA to promote their Safe Stay program for hotels.

We worked to promote increased dining room allowances as our COVID numbers went down and asked for small events to be permitted with social distancing. I had the honor of participating in a roundtable in Central Florida before Vice President Mike Pence and was joined by other industry leaders to discuss the challenges we were facing.

We are proud of the progress we have made towards rebuilding such an important industry in Florida, but there is still much work to be done. We are hard at work right now in our state's legislative session where our Governor has already signed the first bill of the session to limit civil liability against businesses for damages related to COVID-19. This new law is critical for so many who are doing the right things day in and day out for customers and staff but feared needing resources they do not have to fight a nuisance lawsuit.

While we push for other important state needs like codifying alcohol-to-go, tourism marketing funding, and protecting the revenue from tourism and convention tax

dollars, we also need continued support from you and your fellow Senators, as well as your colleagues in the U.S. House and across the Federal government. We were pleased that the CDC recently released new guidance on vaccinated travelers, which will help to build confidence in both personal and business travel, but more could be done to aid in recovery. Perhaps there could be more COVID liability protections for businesses who normally produce events and have large conventions across the U.S.

Also, our industry is facing historic workforce challenges. Despite our ability in Florida to operate at 100 percent capacity, many are unable to because of a lack of staff. Simply put, we are competing with state and Federal unemployment benefits. At the beginning of the pandemic when there were no jobs, this unemployment was critical for our workers who were furloughed or laid off, but now, we have the jobs, but many are unwilling to go back to work when they can obtain similar pay while at home. Some may have been hesitant to return until greater access to vaccinations were implemented, but all adults in Florida now have that access and still we cannot hire enough staff. We have businesses limiting their capacity, reducing operating hours, and closing on days they are usually open because there is not enough staff to meet the needs of our guests. We are working on state solutions through innovating partnerships with career resource organizations, job fairs, hiring signing incentives, and competitive wages, but our efforts have been only minimally effective. While you look to next steps in how to aid in the recovery of our industry, I ask you to remember this staffing challenge. In Florida, we are open for business and desperate for workers.

We are on the road to recovery, but the effects of COVID on our industry are still present. The national tourism industry suffered more than \$500 *billion* in pandemic-related losses, with leisure and hospitality accounting for nearly 40 percent of pandemic-related unemployment.

Pre-pandemic, hotels supported one in 25 American jobs with 2.3 million direct hotel jobs and 8.3 million hotel-supported jobs, which contributed \$660 *billion* to the U.S. GDP. But the hotel industry has been decimated and faces a much slower recovery than other business sectors.

According to AHLA, half of U.S. hotel rooms are projected to remain empty in 2021. While 2019's average national occupancy was 66 percent, occupancy fell to 44 percent in 2020, and many of my members in Florida had single-digit occupancy last year. Occupancy is projected to average at 52.5 percent this year. Only 21 percent of consumers have traveled for a vacation or leisure since the beginning of the pandemic, and only a little more than a quarter of those stayed in a hotel. Hotel employment is not expected to rebound until 2023. One major factor affecting hotel revenue is the lack of business travel, which is projected to remain down 85 percent this year and will not return to pre-pandemic levels until 2024. This is critical because business travel is the single largest source of hotel revenue. Businesses across the world have put in place travel bans or at least have severely restricted travel, which has resulted in huge losses in Florida—especially in Orlando and Central Florida.

Visitors to Florida dropped to its lowest point in over a decade with just 86 million visitors in 2020. Local and state tax revenue from visitors significantly dropped from \$41.1 *billion* in 2019 to \$27 billion in 2020. And across the US, hotels faced closing and foreclosure and direct hotel and hotel-supported jobs were lost in staggering numbers. With nearly 175,000 jobs lost—nearly a quarter of our total hotel jobs—Florida had the second highest direct hotel and hotel-supported job loss in the Nation only behind California and far exceeding Nevada, New York, and Texas.

And restaurants have been shattered as well from COVID. From nationwide shutdowns and bans on indoor dining to irresponsible and misleading claims—even from the CDC—about the safety of restaurants, it has been incredibly tough. While some sectors like fine dining were affected more than the fast casual and quick service sectors, all restaurants have experienced significant loss this year.

Data from the National Restaurant Association tells us that 2020 ended with total sales that were \$240 *billion* less than the pre-pandemic forecast for the year. Although restaurant and foodservice sales are expected to post double-digit growth in 2021, it will not be nearly enough to make up for the substantial losses from 2020. Nationally, more than 8 million eating and drinking establishment employees were laid off or furloughed—nearly 600,000 of those were in Florida. More than 110,000 restaurants closed permanently, including 10,000 in Florida. Most of those shuttered locations were not new ventures; they had been well-established and in operation for more than 15 years, and 16 percent had been open for at least 30 years. This is a lasting blow to communities across the U.S. who are centered around neighborhood restaurants. Many restaurants survived by changing their business model overnight to shift to off-premises and delivery. They created contactless op-

tions and dramatically reduced their menus to control waste. As I previously mentioned, they set up or expanded outdoor dining, sold packaged bundled meals, and served cocktails to go with the food. The rise of technology that was projected in the next five to 10 years happened in just one year. Overall, the eating and drinking place sector finished 2020 down nearly 2.5 million jobs nationally. And now that Florida and other states have opened or are in the process of doing so, we are facing these historic labor shortages that are restricting us from getting out of the hole we have been in for the last year. And yet, we are hopeful. PPP, tax credits, and the recently passed American Rescue Plan all have been huge victories for our industry. The Restaurant Revitalization Fund will provide \$28.6 billion in grants for restaurants who desperately need it.

I want to thank Ranking Member Wicker and Committee Member Sinema for your bipartisan work in creating the RESTAURANTS Act. While it is not a silver bullet and the restaurant industry will need more support to recover from this ongoing crisis, it is an absolutely invaluable tool to keep restaurants open across our Nation. We are extremely grateful for all you have done.

Travel, tourism, and the hospitality industries have all faced the worst year in recent industry history and will be recovering for a long time. And while the financial recovery will come first, the emotional toll of this crisis will linger for a long time. In Florida, we understand emergencies—whether environmental events, hurricanes, or even terrorist or mass casualty events. . .but we have never been tested quite like COVID has tested us. We have been fighting hard to survive just one more day. . .for more than a year. It is exhausting and yet, we see the light at the end of the tunnel and are eager to reach it. We are resilient, and we are, quite literally, in the business of serving people. We love nothing more than to create memorable experiences for visitors and guests that keep them coming back. But we need them to be able to come back: international visitors, cruises, business travel. . .We are working to rebuild this industry we love so dearly, and we like to say that we are “Hospitality Strong,” but we have no problem asking for help. And we still need that support from you as we rebuild.

Thank you. I would be happy to take any questions you may have.

Senator ROSEN. Well, thank you so much for your opening remarks, and I really appreciate everyone’s thoughtful opening remarks because Senator Scott and I believe that we must get Americans traveling again. And so, as we have discussed several times, travel and tourism, of course, are the lifeblood of Nevada’s economy.

COVID-19, like you all have said, has taken a toll on our workers across this Nation, on our businesses, and on our communities. But with more Americans getting vaccinated and the CDC giving the green light for safe travel, there is a light at the end of the tunnel. But to fully recover and bring back the jobs lost, the industry, we must bring it back to pre-pandemic levels. We need to get Americans and the world traveling again. That means making sure that people from across the country and across the globe know that our tourism destinations, they are open for business.

So, Mr. Perez, can you talk about the importance of out-of-state and international travelers to MGM success and that of its work force, and I would say all of our hotels in the success of its work force, please.

Mr. PEREZ. Thank you, Ms. Chair. Let me start off first with the regional properties. You know, we are in seven different states, some of the Northeast, Mid-Atlantic and down Senator Wicker’s neck of the woods, down in Mississippi. For those properties, most of our business comes from an hour’s drive and we were a bit more insulated, barring the closure obviously, but we were a bit more insulated in Las Vegas, because the barriers of travel were just easier. You could jump in your car and not have to deal with airfare and that sort of thing. Las Vegas—and I will parallel that too with

we do have two semi-destination resorts, one of which is in Biloxi, Mississippi.

That property also was hampered more as compared to the other seven, as an example. It behaved a little bit more like Las Vegas. And it also Borgata in Atlantic City had similar characteristics to recovery in Las Vegas, but nowhere near as devastating. And to your point, and you have heard the testimony from the panelists, the getting customers comfortable with air travel primarily is paramount. And it is going to take some time to get international travel to come back in earnest, particularly in Las Vegas, which is vitally important.

We know those customers stay longer. They enjoy our restaurants, they enjoy our casinos, they enjoy our shows. They spend quite a bit on retail. And they are vitally important to Nevada and Las Vegas' economy. So anything that we can do certainly to reduce those barriers would be incredibly helpful, especially for Las Vegas.

Senator ROSEN. Thank you. Mr. Hill, I would like to ask you a similar question, but really about our conventions. We know that conventions, business travel is the lifeblood of not just Las Vegas, but so many other cities across the country. So how do you feel about what can we do to bring that ecotourism back, what do we need, and its importance to our communities?

Mr. HILL. Thank you, Chair Rosen. Ranking Member Scott earlier mentioned the connection between tourism and economic development, and I would just add that really tourism is economic development too, and it brings money in from outside of our State into our state. It creates those 26 percent of the jobs in Nevada. It is a—it is the economic engine for our state. And domestic and international tourists are what make that possible.

That, you know, a year ago or a little longer ago when we were trying to get from 87 percent room occupancy to 90 percent, that concept seemed maybe not as important as what we went through when we shut down for 10 weeks and didn't have any visitors in Nevada, and as you pointed out, suffered the worst unemployment rate of any state in history during that period of time. So it is—our domestic and international travelers are what make this state go.

And we need to do everything we can to allow them to return, and I know everyone is. From a meeting and convention perspective, we are excited to have, I think, the first large trade show in the United States returning to our convention center in early June, The World of Concrete by Informa, the publicly traded firm that is one of the biggest customers of Las Vegas. That is a show that typically has 50,000–60,000 attendees. We don't think it will be that size, but it will be a major show. And we look forward not only to that show returning, but it serving as evidence and an example of how to do this right. And we are excited about that.

International visitation is a big component of visitation, both from a business traveler standpoint as well as the leisure traveler. We enjoy about 15 percent in a normal year visitation from our international fans, and that has been almost completely shut down and has not really started to recover at this point. And as Ms. Barnes mentioned, working to get those back, those visitors back,

working on a method so that they can have confidence in their travel plans and be able to confidently make those trips we think is critically important.

Senator ROSEN. Thank you. And now I will recognize Ranking Member Scott.

Senator SCOTT. Thank you, Chair Rosen. I want to thank each of the witnesses for your testimony. Ms. Dover, in your written testimony you state that the travel and tourism industry is facing historic labor shortages, which could significantly restrict the industry from recovering from the severe downturn. Can you share the reasons behind this? Would you be able to give you some examples from your members as well as what they have done to mitigate this issue? And just go ahead and talk about some of the challenges your members are facing with regard to labor shortages.

Ms. DOVER. Yes, thank you very much, Senator Scott. So as I stated in my other statement that we are in competition with our unemployment system, so many people are making more money staying home, and we are having a really tough time getting people to even want to apply for jobs. We have been hosting job fairs. Some of our members are even offering bonuses, and people are still not showing up to apply for the jobs.

Just a couple of examples, Senator, that we are hearing from our members. I have a member yesterday who was telling me that they haven't had their garbage picked up in almost a week. And so this is bigger than just the hotel and restaurant industry. The waste management industry, they don't have drivers. We got notice from our food distribution companies and our beverage companies that they may not be receiving their products in a timely manner because they, too, don't have enough drivers applying for jobs.

So one of the things that we are in hopes is that we can find between both State and Federal—clearly, unemployment is important for many people, but there are so many jobs available right now that if we could go back to a system where you used to have to show that you had applied and been turned down for several jobs, three jobs, I believe is what it was in Florida, that if we could reverse some of those mandates, then I believe that we could begin to see people want to go back to work. So we are desperate.

And anything that you all can do in Congress to help us relieve this burden. I hear from my colleagues all across the country that this is not just a Florida issue, that it is everywhere. So thank you for asking and allowing me the opportunity to talk to you about our very critical labor shortage.

Senator SCOTT. So Ms. Dover, so if somebody—if an employer tells an employee that they have a job opening, in my understanding Nationwide we have 7.4 million job openings. If an employer says they have a job opening does the employee, are they able to continue on unemployment or do they—are they required to come back to work?

Ms. DOVER. Well, they are not required, Senator, from my understanding, to come back to work. They can make the decision and what we are trying to also do, education to many of the people who are not coming back to work is to remind them that these jobs will not be available forever. I mean, we have all, you have heard us all today on the panel talk about the need to rebound and we will

rebound. This is—we are a resilient country, and we will rebound. But 1 day these jobs that people are turning down won't be available anymore.

So we are reminding people to take these jobs while they are available. Unemployment in Florida is already down to a little over 4 percent. So it is not long before we are going to be in a very low unemployment and nearly an unemployable. So hopefully we can get people to see that we have great jobs available. Florida is the tourism mecca. We have—just hopefully people will see the importance of coming back to work.

Senator SCOTT. Thank you, Ms. Dover. Ms. Barnes, we have seen the cruise industry at a standstill under the current CDC restrictions with no timeline in place for return. What impact has this had not only on the cruise industry, but throughout the travel and tourism industries?

Ms. BARNES. Thank you for the question. You know, we very much are supportive of the legislation that you and Senator Sullivan introduced today along with Senator Rubio, because we really do think that the entire industry needs to have clear guidelines on how to reopen with the timeline and a date certain to do so. And really, we are normally used to welcoming over 13 million travelers via cruise ship annually to the United States and the impact that that has on ports and destinations throughout the country, restaurants, attractions, folks that are—being able to sell gifts for their families at those ports and in those cities.

So the impact really has been quite significant. And we really believe that every segment of the industry should be able, again, to reopen and that it isn't fair not to have clear guidelines. So we hope that the CDC will be able to put forward clear guidelines in the immediate term, because the economic consequences really are significant not only to Florida, but to the other countries—like Alaska, Louisiana, California, Washington and other states across the country.

Senator SCOTT. Thank you. Thank you, Chair Rosen.

Senator ROSEN. Thank you, Senator Scott. I would like to next recognize via WebEx, Senator Klobuchar.

**STATEMENT OF HON. AMY KLOBUCHAR,
U.S. SENATOR FROM MINNESOTA**

Senator KLOBUCHAR. Thank you very much, Chair Rosen, and thank you as well to Senator Scott. And I am really excited to hear from our witnesses today. I know this has been such a tough time for tourism but having this hearing couldn't be more timely. I have long been involved in this issue from the time that I had the job of chairing the Tourism Subcommittee in Commerce. Proud of the work that we have done together with some of the witnesses on Brand USA and the work that you are doing today.

And I guess I would start there because I know that Senator Rosen asked a question and talked about the loss at least of international travel on the MGM Resorts and also really everywhere in the country, which is part of the reason we were so proud of the work we have done on Brand USA, which finally allowed us to have an even playing field when it came to promoting our own country. This has been a real gut punch for the tourism industry,

obviously. We had to shut down the borders for international tourists.

But as we see this, as we call it on Lake Superior, the lighthouse on the horizon, as opposed to light at the end of the tunnel, with the vaccine and what is happening. Ms. Barnes, in your testimony, you highlight that if international travel is not reopened soon, a total of 1.1 million American jobs and \$262 billion in spending will be lost by the end of 2021. And that temporary emergency funding for Brand USA is needed. Can you talk about what resources you think are needed?

Ms. BARNES. Sure. Thank you, Senator, for your question and for your tremendous leadership as the Chair of the Travel Tourism Caucus in the Senate. We are very grateful for your leadership in particular as we sought to reauthorize Brand USA back in late 2019, which feels like a decade ago.

Senator KLOBUCHAR. Except you must admit we were smart to do it early. We got it done a year early, thanks to Senator Blunt and other things.

Ms. BARNES. Yes. Thank you. So, as I noted, international travel declined by 76 percent. And right now we are looking at a 5-year time horizon for recovery. But we know that we can shorten that timeline. And just in the losses for 2021, if we are able to reopen international travel by July, that can stymie 40 percent of the expected losses this year. So we really need Brand USA that is currently having a funding challenge because of the lack of international travel. Usually the ESTA fee is coming in in a robust fashion and capped at \$100 million, which goes to Brand USA.

But because that money isn't coming in, because the international borders are closed, we really need an emergency funding mechanism. What we think is about \$250 million in an appropriation. Usually the \$100 million that comes in on international fees is matched by the private sector. But unfortunately, due to the decimation of the private sector right now, those matching funds are unlikely to be captured. So, again, if the Appropriations Committee could put forward \$250 million, we think they will be able to do their work to bring back international travelers and make sure that that 26 to 1 return on investment is provided. And I will just note this, since we were talking about exports, that in 2019 the tourism industry provided a \$59 billion export for the country. So it really is important beyond just domestic funding.

Senator KLOBUCHAR. Very good. And then another bill that Senator Blunt and I have introduced, the Protecting Tourism in the United States Act, directs the Commerce Department in consultation with the U.S. Travel and Tourism Board and key Federal agencies to develop a plan to help the tourism industry recover. Simply because, you know, I think that as things are getting a little better, their ramp up is going to be slower by virtue of the nature of the customers here and where they come from and how they can travel than other industries.

And I guess I will turn to you on—to you with this, Mr. Perez. And by the way, I also want to mention the great leadership of Chair Rosen as well as Senator Cortez Masto on these issues with Nevada. But one report found that in 2020 more than 670,000 hotel industry jobs, and in your testimony you note that MGM Resorts

had to furlough 60,000 employees as a result of the pandemic. Can you speak to how long the hotel industry can sustain itself on the current Federal economic relief, particularly regarding your work force?

Mr. PEREZ. Thank you very much, Senator, for the question. The employees are coming back not only in Las Vegas, but also for our regional properties, but they are doing so when the customers have started to come back. What we have seen clearly as vaccinations, shots in arms are becoming more and more pervasive, things have turned around relatively quickly.

The question for us is, how sustainable is that? Because it happened as we were leaving the winter, if you will, entering better weather and getting along with the stimulus. So there is a little bit of noise, but the way this is—I apologize, can you repeat the question for a second, I am sorry.

Senator KLOBUCHAR. No, it is—it OK because I am probably out of time and my colleagues are probably glad that you forgot the question. But I was just thinking about—it was mostly about how long the hotel industry can sustain itself.

Mr. PEREZ. Yes. So, what I am seeing, I will just end it really quickly. And right now, it is a bit of a challenge, particularly in Las Vegas and a few of the other regional properties, to find labor for the reasons mentioned earlier. And the—you know, as our customers return, we feel that with time we can get our employees back and do this in the right form and right fashion so, but it is a process.

Senator KLOBUCHAR. Very good. And we hope you are working as well with Carlson companies in Minnesota. We are proud of the work they are doing. Thank you.

Senator ROSEN. Thank you, Senator Klobuchar. Next, I would like to recognize in person, Senator Sullivan.

**STATEMENT OF HON. DAN SULLIVAN,
U.S. SENATOR FROM ALASKA**

Senator SULLIVAN. Thank you, Madam Chair, and I really appreciate this committee. I think it is exciting. I think it is going to be an important committee. Very bipartisan, all these issues and I am looking forward to your and Senator Scott's leadership on this. Ms. Barnes, I wanted to ask you, you mentioned my Visit America Act, which is very bipartisan with Senator Schatz and Senator King. One thing it would do, it would establish an Assistant Secretary of Commerce for travel and tourism.

As you and I have discussed, many countries have cabinet officials in charge of tourism. We don't even have an Assistant Secretary. Now, I am not a big Government guy. But as you know, when you are in the debates within the Federal agencies, you need someone, Senate confirmed, to stand up for this huge part of our economy which goes across so many states. Can you share with me a little bit of your perspective of the importance of this Act that passed out of this committee very strongly, every Senator but one voted for it? And we are going to try and move it again quickly this year.

Ms. BARNES. Yes, thank you for your question and for your leadership on this issue. You are right. We are the only one of the top

30 global destinations that doesn't have a cabinet level person and, or an arm that actually goes out and promotes travel. That is why we have Brand USA. So we believe very much that the leadership is needed. We have been very pleased with Secretary Raimondo's interest in how important travel and tourism is to the industry. But obviously she has many things to focus on.

So we couldn't agree with you more that we would like to see your bill introduced again quickly and passed. And we have already also raised with the Secretary the importance of elevating this position. So I am hopeful that we will be able to move it forward. It is also something that we have talked to the Travel and Tourism Advisory Board at the National Travel and Tourism Office at the Department of Commerce about and believe that with this type of leadership to really be able to draw that interagency group together, that we can set that National strategy to reopen not only domestic travel, but bring back international travel, bring back meetings and events. We need the whole of the industry focused upon and having a cabinet level position would absolutely help do that.

Senator SULLIVAN. Great. Thank you. My next question is for you and Ms. Dover. I want to talk a little bit about the cruise ship industry. And, you know, a lot of times the industry gets attacked for certain issues. But what I really want to talk about is how important this industry is to small businesses, whether in Florida or in Alaska, and if you can give us a sense on that. But also, Ms. Barnes, I saw that the U.S. Travel Association recently called for the CDC to end its ban on cruise ship travel in America. That is what our bill, Senator Scott and my bill, the CRUISE Act that we introduced today, would do. And they need the guidance.

And look, the CDC does a good job on the science. They have had a tough year, an important agency. My state has worked hard dealing with the health issues. We have been the number one state in the country throughout the pandemic in terms of testing per capita, in terms of the vaccination rates per capita. We are proud of that in Alaska. Fortunately, one of the lowest death rates per capita.

But my state's economy is getting crushed. Oil and gas, no help from the Biden Administration there, which is anti-oil and gas. Commercial fishing, tourism, as it has hurt so many industries. Senator Murkowski and I had a meeting with the CDC Director a couple of weeks ago. With all due respect to her, she didn't really have a clue on these issues. We had another follow-up meeting on her with her recently. She gave us a lot of good news. All the guidance on the cruise ships was going to be coming out at the same time. There was going to be needs for new CDC approvals.

Cruising in America and Alaska by mid-July was what she thought we could do and none of that turned out to be true. So that is 0 for 2 on meetings with U.S. Senators. I think somebody on her staff needs to be held accountable. She is obviously getting really, really bad information from people, but it is really disappointing. But can you and Ms. Dover, if you have a view on it, give us a sense of why you think it is important to get cruising again, particularly when cruise ship industries, executives are coming together saying, hey, we will have it, we will put an escrow account

in if there is funding issues, we will make sure everybody on the ships are vaccinated.

There is a whole host of things that can happen that we can do this safely while still taking into account the economy and the health impacts, let's face it, of Americans who are out of work because of this ban.

Ms. BARNES. Sir, thank you for the question. Again, we really believe that no sector of the travel industry should be unable to be able to reopen. One U.S. job is created just with 30 cruisers, so 30 people on a ship equals 1 U.S. job. That is a significant contribution to the U.S. economy. And quite frankly, we think that there needs to be clear guidelines so that we can reopen this summer. Sorry, am I over time?—Oh, okay, sorry.

I am sorry, but to finish, we do believe that we need clear guidelines, very much support the legislation you introduced today. We also don't believe that there should be a vaccine requirement to travel, but we do think that it is an important layer, and we are very much advocating that folks get vaccinated.

Senator SULLIVAN. And Ms. Dover, do you have a view on any of this? Sorry, Madam Chair, I will go over, but I know it is important to Florida too.

Ms. DOVER. Thank you very much, Senator Sullivan, for the question, and to Tori Barnes, she answered it very well, but to just add on to what she said. In Florida, we have over 115,000 jobs that were relying on the cruise industry. The trickle-down effect of what you have mentioned, hotel rooms, restaurants, retail, gas that is suffering in those areas of Florida that rely so heavily on the cruise industry, not to mention what an economic engine it is to our state.

So I would agree and echo everything that Tori Barnes said about we don't believe that maybe vaccinations are necessary. We know that the cruise line industry has been meeting round the clock to put in safety standards. There is nothing more important to them than the safety and health of the welfare of the people who want to cruise. So no industry is close. Florida has been open for business for many months, and we certainly believe that our cruise line friends should be allowed to open up for business and get out in the waters and start enjoying life again.

Senator SULLIVAN. Alright. Thank you, Madam Chairman.

Senator ROSEN. Thank you. And next, I would like to recognize our Chair, Senator Cantwell. And before I do, I just want to thank her for helping us to organize this committee. It is our inaugural hearing, and we look forward to just doing great work here. And we appreciate you allowing us to start on this mission. Senator Cantwell.

**STATEMENT OF HON. MARIA CANTWELL,
U.S. SENATOR FROM WASHINGTON**

The CHAIRWOMAN. Well, thank you, Chair Rosen, and thank you to you and the Ranking Member. Appreciate both of your interest in this subject of tourism. And you are right, I couldn't be more excited about a committee that is called Tourism, Trade and Export Promotion, because that is pretty much the State of Washington, and very much appreciate the two of you bringing an intense focus to the tourism aspect amongst the other responsibilities here. I

wanted to ask our witness, I think you, Ms. Barnes. Senator Scott and I introduced legislation on what I just call another layer of infrastructure. You guys have all articulated in your questions and many of our colleagues about the important economic consequence of tourism.

Well, if it is such an important aspect to the economy, why aren't we doing more to build layers of protection into the system that gives us more data and information. So I traveled to China many years ago and the airport went through a screening as it related—I didn't really know I was going through a screening, but I was going through a screening on temperature checks. So we see small businesses all over the United States doing this now and doing it successfully.

What do you think of getting the infrastructure at airports so that this is something that we can, again, just give more certainty and predictability to the system by just putting this kind of infrastructure in place?

Ms. BARNES. We think as it relates to technology, that there is a lot of good that can be done from biometric touchless solutions that you can opt into, to additional layers within the airport. I think that, you know, as we—the travel industry put forward a guidance early in May of last year, has had the most great health and safety standards in hotels and airports, in airplanes, in every different mode of transportation and as well as in any every segment of the travel ecosystem. So we very much support anything that can help to continue safety, and the health and safety first and foremost.

Again, we don't think that there should be a vaccine requirement to travel. We do think that is another important layer. But there are things, as you note, temperature checks and other systems that can be piloted perhaps to see how that how they can help the system move forward. One of the things we want to also be careful, though, is that we don't put anything in place that we can't ease as things get better with the health crisis because we don't want to be in 10 years from now, like we were taking off our shoes still after 9/11. We want to make sure that we have something that is adjustable as we move forward from the pandemic.

The CHAIRWOMAN. I think Senator Scott and I are talking about something that is basic infrastructure. So the concept is airports where even just international destinations would have the kind of technology where you would just walk through and detect whether someone had a temperature or not. So I think you get a lot of pushback from people say, well, how many people have they caught in international airports? Well, I am not sure we have caught anybody lately at SeaTac on a National security issue as it relates to the TSA lines, but I am pretty sure we are going to keep the TSA line.

So these things are lines of deterrence. And I just think that all of you are articulating how important the tourism economy is to us. I think thinking long term about what other challenges we face, I think it is a pretty cost effective technology that has been used around the world. So hopefully we will be able to get our colleagues to do the same here and better protect the traveling public and

focus on what we can do to give confidence. So thank you, Madam Chair. Appreciate calling you that.

Senator ROSEN. Thank you very much, Senator Cantwell, Chair Cantwell. And next, I would like to recognize via WebEx, Senator Sinema.

**STATEMENT OF HON. KYRSTEN SINEMA,
U.S. SENATOR FROM ARIZONA**

Senator SINEMA. Well, thank you, Madam Chair, and thank you to all of our witnesses for joining us today. You know, tourism is such an important industry for my State of Arizona. In 2019, Arizona's tourism industry welcomed more than 46 million overnight visitors, which generated over \$25 billion in direct travel spending and helped support State and local Government tax revenue. The COVID-19 pandemic has been very difficult for many Arizona communities, small business owners, and Arizonans who work in the tourism industry. In 2020, spending by domestic and international travelers declined by 35 percent, hurting many local businesses and putting many Arizonans out of work.

According to Arizona Lodging and Tourism Association, COVID-19 has wiped out 10 years of job growth for Arizona tourism. And unfortunately, we are not out of the woods yet. Although 2021 has seen a recent uptick relative to 2020, we are still nowhere near the 2019 numbers, and that means that many Arizonans and Arizona businesses are still struggling. Given these significant challenges for Arizonans, I will continue to work with my colleagues on the Subcommittee to develop bipartisan solutions to these issues and help get Arizona's tourism industry back to work.

My first question is for Ms. Dover. Many Arizona restaurants or small businesses rely on travelers to support their operations. As you know, I worked with my friend, Senator Roger Wicker to author the Restaurants Act, which was bipartisan legislation to provide structure relief to local and independent restaurants. And our effort became law as part of the American Rescue Plan. And soon restaurants will be able to apply for \$20.6 billion of structured relief.

Now, many restaurants also received assistance from the Paycheck Protection Program. Could you share from the perspective of restaurants why the restaurants relief is different than PPP and how you expect restaurants to benefit from these funds?

Ms. DOVER. Well, thank you, Senator, for your question. Obviously, first, I want to just thank all of you for the support that you have given the industry in passing the PPP because all of those were critical to just getting the industry propped up. But one of the things about the, your new Restaurant Revitalization Act is that they are going to look at minorities and small businesses and some who may have not been able to apply in the first go round.

I can tell you that we are already hearing great concerns that that money may be gone in a very short order, so we are quite concerned about that. But we—you know, we represent just as many small, independent or more operators as we do large. And so many of our small businesses are struggling. So but for the first PPP round and now the Restaurant Revitalization Act, they would not be able to keep their doors open nor hire back their employees. So

I want to thank you for that. The employee retention tax credit is critical also to our industry.

And we want to thank you for all of the efforts that you have put forth, especially in extending that, because that was crucial to our employers in our industry.

Senator SINEMA. Well, thank you. My next question is for Ms. Barnes. According to a recent report by the American Hotel and Lodging Association, half of U.S. hotel rooms are projected to remain empty in 2021 and hotel employment is not expected to rebound until 2023. As you know, Arizona is a prime destination for large business and group travel.

And according to the Arizona Lodging and Tourism Association, business and group travel accounts for more than half of annual hotel revenue. And estimates show that these travelers may not return to pre-pandemic levels until 2024. Can you describe how business and group travel is so important to the tourism industry and how the decline in this type of travel has hurt Arizona small businesses?

Ms. BARNES. Thank you, Senator, for the question, and I would echo, Carol Dover's comments about gratitude for the hard work that you have done on the Restaurant Act and many other issues on behalf of the industry. And as you note, 60 percent of business travel has declined in Arizona. And we think that it is really important that we have clear guidelines for reopening business meetings and events, and that we really differentiate them from mass gatherings.

We think that this is absolutely critical that as other parts of the industry are able to open and other parts of the economy are able to open, the majority of revenue that comes into the industry really is from that business travel. So 40 to 60 percent of revenues come from a hotel perspective and business travel. And when you think about it right now, while we are seeing that leisure market really pick up and that will help for certain weeks of the year and the weekends, Monday through Thursday travel really isn't happening right now. And until we open business travel up, it is not going to. So the thing that we need to do is beyond just opening up business meetings and events, we need to increase those gathering limitations for structured meetings. They can be held in a safe way.

There are layers of protection. And as we have more and more folks vaccinated, that should be even more possible. So we hope that the CDC can put forth clear guidelines to increase those gathering limitations and to open up business meetings and events. Again, 70 percent decline year over year is just not acceptable or sustainable into the future.

Senator SINEMA. Alright, thank you. Madam Chair, I see my time has expired. Thank you for hosting this hearing.

Senator ROSEN. Thank you, Senator Sinema. Next, I would like to recognize Senator Hickenlooper via WebEx.

**STATEMENT OF HON. JOHN HICKENLOOPER,
U.S. SENATOR FROM COLORADO**

Senator HICKENLOOPER. Thank you, Madam Chair, and I think this is a remarkably enlightening and informative session. First, I want to ask Mr. Hill, when we see the importance to cities and re-

gions and States of convention business and how in many cases is the first place that a business executive will come to a different place, a different city, and you know, maybe 5 years later they will open an office there, it is vitally important for that, not to mention all the restaurant and hotel business that accompanies those visit.

You are just as much captive to the loss of confidence as all the restaurants and hotels and musical venues, all the parts of hospitality, and I thought you actually might have the best perspective on how you are thinking of trying to rebuild that confidence in your consumers who are a little more educated in many cases, but certainly are subject to the same fears and cautions as the rest of the American public.

Mr. HILL. Thank you for the question, Senator, and certainly for your support of our industry. And you are right, the confidence of the business people, leisure travelers, both, is critical to the return. We are seeing that as people get vaccinated, their confidence returns, starts to return because of that process. And frankly, those who have chosen not to be vaccinated may have some of that confidence as well. So the vaccination process is just exceptionally important. We encourage that to move forward as at least as quickly as it has. If we can increase that, that is great. That is critical. Getting past the health crisis is what will really restore confidence.

Frankly, the messaging from our elected officials is important too. Consistency there—it is certainly important to have communicated the need to be careful, the need to be responsible and safe and healthy, but as that takes hold, messaging around, it is time to go back and travel, needs, I think, to be heard by all of our constituents out there.

And it also, you know, a lot of people think of marketing as not necessarily generating information and providing our potential customers with that information, but particularly in this environment, having the ability to provide that information is really important. Frankly Senator Cortez Masto's Step Act bill is designed to help with that.

Senator HICKENLOOPER. Great, thank you. Great answer, and I appreciate that. Ms. Barnes, I wanted to ask you also, again, coming from Colorado and having spent almost 20 years in hospitality and tourism, we have a big space for outdoor recreation. And in many cases, they were not as negatively impacted as some of the other forms of hospitality and tourism just because it is easier to social distance when you are outside hiking and things like that.

But I do think that we have seen disruption in the trends. And I was wondering if you have got a sense on a National basis of what changes we have seen both in outdoor recreation but in total tourism, but especially concerned about outdoor recreation? Which of the changes and the disruptions are going to become permanent and which ones are more likely to bounce back? And is that a good thing or a bad thing?

Ms. BARNES. Thank you for the question. You know, we are seeing and have seen a significant interest in visiting our National parks and going to beaches and definitely being in those outdoor recreation environments. That is something that in particular started last summer. And certain destinations definitely fared better than others because not everyone has the same to offer.

But, you know, I think that that will be a trend for some period of time, that we will continue to see folks wanting to be in outdoor environments. However, it really is important that we bring back the whole of the economy and diversify that by broader—by more holistic opening of the country and of all of the experiences that all of the States and destinations have to offer throughout this country.

I would say with regards to outdoor recreation, you know, a theme that has been important is making sure that we do have our National parks are sustainable for the future, that we are cognizant of some over-visitation trends. And so I think that there will be a return to making sure that we are cognizant and careful with our public lands moving forward. But overall, I expect that the outdoor environments will be here to stay for some period of time and folks will welcome those opportunities to get out and explore.

Senator HICKENLOOPER. Great. Well, thank you very much. I see I am over my time, so Madam Chair, I will yield back the floor to you. Thank you.

Senator ROSEN. Thank you, Senator. I believe next via WebEx is Senator Blackburn.

**STATEMENT OF HON. MARSHA BLACKBURN,
U.S. SENATOR FROM TENNESSEE**

Senator BLACKBURN. Yes, thank you, Madam Chair. I appreciate this so much and appreciate the time and the attention that is focused on this. Ms. Barnes, let me come to you first. International travel. In your testimony, you talked about the CDC, DOT, DHS coming together to have a data-driven, risk-based roadmap by May to rescind international inbound travel restrictions by July 2021. What are you hearing from the agencies right now? Is there any consensus on a timeline for both inbound and outbound, these restrictions that we are hearing as we look to reopen our country's borders and allow this international travel?

And I am asking you this because in Nashville, in Tennessee, in Nashville, in Memphis, the Great Smoky Mountains, you were just talking about people getting back, which of course, the Smoky Mountains are the most visited National Park in our entire park system. So let's talk about getting that open and people coming back into these tourism spots in our country.

Ms. BARNES. Thank you, Senator, for the question. And I think right now there really is a hesitancy to really create a roadmap to reopen international travel, and that is something that we really are urging the Biden Administration to put forth. Some agencies have a zero risk based approach. Some are interested in finding a path forward. And throughout the pandemic, we really heard the data and science should lead the way. And so we agree. We think that there can be a data-driven, science-based approach to reopening international travel and other countries, our competition really, are already contemplating that.

We have seen timelines put out by the United Kingdom and others and really think that with a clear roadmap that contemplates vaccination rates and perhaps infection rates and others, that there can be a reopening. And first and foremost, we need that timeline. We need a timeline that is certain.

So when we look at May, we are saying please put out a road map for reopening so that we can you know, if it is starting with the U.K. and a travel corridor, then let's do that. But we need to find a path. We need to have clear timelines and benchmarks and clarity from the Federal Government. We should be a leader in this regard. We are the United States of America and we want to be able to welcome international travelers back to the U.S.

Senator BLACKBURN. Sounds good. And I think it was Mr. Hill who is Las Vegas tourism. Is that correct?

Mr. HILL. That is correct, Senator.

Senator BLACKBURN. Yes, and you know, Las Vegas, like Nashville, depends a lot on the event venues. And you have talked about the work force. And as our live event industry looks to recover, one of the things we have learned is about 30 percent of the people in the firms have left the industry and 30 percent of the support service firms have actually ceased to exist during the pandemic. So what do you see as the way back to the live event and the concert industry for areas like Las Vegas and Nashville? How are they going to handle this workforce shortage?

Mr. HILL. Senator, I was in your state at the NFL draft a couple of years ago and Nashville did such a great job. We learned a lot. We look forward to hosting that draft next year. So I want to say thanks for your support for the industry and the question. There is—when you dissipate a vast majority of your work force, the ability to get them back is very difficult.

And there are—we are experiencing, Mr. Perez mentioned earlier, experiencing labor shortages here, even though we are quite a ways away from a full recovery. But the ability to attract people back to the industry, particularly after they have been dislocated, they are concerned about the certainty of that job, is going to be an issue the industry is going to have to deal with moving forward. It is going to be difficult to do.

Senator BLACKBURN. Yes. Well, we are going to have to do it, and in Nashville, a large part of the tourism industry is comprised of conventions and convention work. And I know between June and the end of the year, there are 80 major conventions that are on the books in Nashville, and that would be about \$200 million in direct spending and \$16 million in State taxes. Now, without clearly defined timelines these conventions are threatening to cancel. You know, we kind of got that hanging out there. So are you seeing the same thing in Las Vegas? And what are you doing to keep these in person conventions coming your way?

Mr. HILL. We are seeing the same thing, Senator. It takes three, four, or 5 months at times for these meetings and conventions to plan the event, to mobilize for the event. And it is expensive for them to do that. If they don't have some level of certainty that the event is going to be able to take place, we were seeing conventions cancel four to 6 months out on kind of a rolling basis.

Recently, our Governor provided some certainty and so we are able to go forward with World of Concrete, which we think will be kind of a gateway event for the industry, not only here in Nevada, but to be able to show how to do it right, that it went well. The entire industry is watching that. And we think that should provide

some confidence so that policy decisionmakers can provide that certainty moving forward.

Senator BLACKBURN. That is great. Thank you so much, Madam Chairman. I yield my time.

Senator ROSEN. Thank you. I am going to go to a second round of questions. I know I have a lot of questions, but just one final question and then ask for Senator Scott for a final question. So as I have been hearing all the thoughtful testimony and questions from all of my colleagues, what I am really struck by is the bottom line is about infrastructure, how tourism infrastructure, how important it is.

So we are going to be moving forward with infrastructure legislation here in the U.S. Senate and Congress in general, and we have an opportunity to make investments that revive and enhance our travel and tourism economy. Of course, in Nevada, our airports are gateways to everything we have to offer. Before the pandemic, they were nearly at capacity. Those who don't fly to us come to us at bus or cars. We have highways that need major improvement, even expansion. Northern part of my state, our rail offers another place for visiting wonderful places like Reno, Elko, and Winnemucca.

And rail service, of course, has slowed over the past year. So what I would like to ask Mr. Hill and then Ms. Barnes, how key is passing an infrastructure bill that deals with our ports for the cruises, of course, our ports, our roads, our bridges, our airports, our railways in order to get the tourism economy revitalized? Mr. Hill.

Mr. HILL. Chair Rosen, thank you for the question. This has been an issue that I have worked on for most of my career. And as you mentioned, all modes of transportation are critical in order to allow our industry to recover and thrive in the future. And nowhere is that more critically seen in Las Vegas than the I-15 corridor. We have more than recovered our drive traffic and that has more than caused the congestion that we have in 2019, for example.

So that National travel strategy, the infrastructure strategy that I mentioned earlier, I think is critically important, and funding it through an infrastructure package is equally important. It is—and I will mention I appreciate the support that Congress has given to the airlines and the airports. That industry is exceptionally capital intensive and it obviously suffered significantly during the depths of the pandemic.

Not having the ability to have that industry start immediately back up when the demand is there would have been devastating. And it is—that focus in particular was appreciated and important when that happened.

Senator ROSEN. Thank you. Ms. Barnes.

Ms. BARNES. Thank you and I would echo Mr. Hill's comments regarding the necessary funding for the travel infrastructure strategy. If we have a system to move freight, we should also have the funding mechanism to move people. I would add to that though that large hub infrastructure for airports is also critically important, investing in high speed rail and Hyperloop, and also in electric vehicle technology infrastructure.

As we know, the auto manufacturers have set deadlines or goals, I should say, of 2035 and in some cases earlier or after that, to

have all electric fleets. And so as we think about the great American road trip, we should really think about the green American road trip and how infrastructure, if you are going to drive from Florida to California or New York to Washington, how you can do that in a sustainable way. So we think that these infrastructure aspects will be really important and that the urgency for funding these projects is now.

Senator ROSEN. Thank you. I look forward myself too—I have driven across the country a few times. The great American road trip, it is wonderful, and we have an amazingly beautiful country. Each and every state has something wonderful to offer. And hopefully we are going to get started back now that we are starting to put the pandemic in the rearview mirror. Senator Scott.

Senator SCOTT. I want to finish by, again, thanking Chair Rosen for this great committee hearing today. I want to thank all my colleagues and we thank all the panelists for their thoughtful questions and conversation. Ms. Barnes, how is Puerto Rico doing with their tourism industry as it is recovering? You know, they had Hurricane Maria, they had the earthquake, and now they have had COVID. So are you seeing travelers come back to the island? What are you hearing about Puerto Rico?

Ms. BARNES. Yes, so travel spending is down about 48 percent. So it is quite significant obviously. Their economy so heavily dependent on tourism. And as we have talked about here, the business meetings and events and international travel, it really creates a significant challenge for them. So I know you have been such a tremendous leader for Puerto Rico and the issues that that destination is facing. But I think that there is still a lot of work to do.

And I think that by more broadly reopening, again, international and being able to bring business meetings and events back, that that will be helpful in helping Puerto Rico grow back again. Obviously, they have had a year over year challenges. So, again, thank you for your leadership, but there is a lot more work that needs to be done.

Senator SCOTT. Thank you. Again, thank you. Thank you, Chair Rosen. It was a great event.

Senator ROSEN. Thank you. Well, I would again like to thank our four witnesses for being here today, Mr. Steve Hill, Mr. Jorge Perez, Ms. Tori Emerson Barnes, and Ms. Carol Dover. We really appreciate your work in this area. We look forward to working with you going forward. I would like to submit for the record three letters, one from the Exhibitions and Conference Alliance, another from the American Hotel and Lodging Association, and a third from the American Bus Association.

[The information referred to follows:]

EXHIBITIONS & CONFERENCES ALLIANCE
April 13, 2021

Hon. JACKY ROSEN,
Chair,
Subcommittee on Tourism, Trade, and
Export Promotion,
United States Senate Committee on
Commerce, Science, and
Transportation,
Washington, DC.

Hon. RICK SCOTT,
Ranking Member,
Subcommittee on Tourism, Trade, and
Export Promotion,
United States Senate Committee on
Commerce, Science, and
Transportation,
Washington, DC.

Dear Chair Rosen and Ranking Member Scott:

On behalf of the Exhibitions & Conferences Alliance (ECA), the unified voice of the face-to-face business events industry, thank you for hosting today's important hearing on "The State of Travel and Tourism During COVID." Given the critical role that exhibitions, conferences, trade shows, and other face-to-face business events play in the broader travel and tourism ecosystem, we appreciate the opportunity to share our views on how Congress can support the recovery and advancement of our industry and get Americans back to work and back to business.

The economic significance of face-to-face business events in the United States cannot be overstated. In 2019, our industry contributed \$396 billion in direct spending to the economy while supporting 6,640,000 jobs nationwide. As a result, business events drove \$130 billion in total tax revenue in 2019 at the federal, state, and local levels: \$51 billion in Federal taxes and \$79 billion in state and local taxes. Additionally, these events generated a further \$419 billion in event-related economic impact in local communities across the country, including \$55 billion in hotel spending, \$32 billion in airline travel, \$30 billion in restaurant and retail spending, and \$29 billion on ground transportation.

Moreover, it is important to note that small businesses are the backbone of face-to-face business events. 99 percent of business events companies have fewer than 500 employees, while 90 percent have fewer than 20 employees. Additionally, of the 1.7 million exhibitors that rely on our events to get their products and services in the hands of buyers, 80 percent of them are small businesses. Notably, 46 percent of small businesses participate in at least one trade or consumer show each year.

As you know, our industry has been impacted by the pandemic. The Center for Exhibition Industry Research (CEIR) recently reported that the business-to-business exhibition portion of the industry alone shrunk by 80 percent in 2020. CEIR further found that nearly all 2020 activity occurred before shutdowns began in March, with year-over-year activity in the second quarter down 100 percent, third quarter activity down 98 percent, and fourth quarter activity down also 98 percent.

We are grateful that Nevada and Florida are among the handful of states that have been proactive in getting people back to work through the safe delivery of exhibitions, conferences, trade shows, and other in-person events. In response, we have been ready with safeguards enabling a safe reopening for all involved. Last year, our industry set forth the All Secure Guidelines that have raised the bar on safe, hygienic, productive, and high-quality organized face-to-face event experiences. The recent delivery of three co-located fashion events in Orlando, Florida shows our collective ability to safely deliver business events with the enforcement of protocols that prevent against the spread of COVID-19. Additionally, many of the facilities we represent have received Global Biorisk Advisory Council STAR Accreditation, which ensures that they are maintaining the highest standards for cleaning and disinfection.

That said, with planning and expenses beginning a year or more in advance of business events taking place, our industry faces significant challenges in fully restarting this important growth engine that drives commerce and innovation in every state across the Nation. This is why ECA enthusiastically supports S.477, the *Hospitality and Commerce Job Recovery Act* to provide comprehensive relief and recovery to the face-to-face business events sector, as well as the broader tourism and hospitality industry.

Importantly, Section 2 of the bill establishes a tax credit to support the convention and trade show industry. To stimulate participation by both individuals and providers, this bill would create a much-needed general business credit (or a refundable payroll tax credit for nonprofit organizations) to help offset the cost of hosting or participating in a convention, business meeting, or trade show in the United States from 2022-2024. More specifically, the convention and trade show restart credit would be equal to 50 percent of the qualified participation costs paid or incurred

by the individual, and 100 percent of the qualified restart costs paid or incurred by an eligible provider.

For our industry, these incentives would help ensure a vibrant marketplace of buyers and sellers at safely-delivered face-to-face business events beginning next year to help jumpstart the economy and support the many small businesses that rely on these events. Importantly, for providers, qualified restart costs would include costs associated with reopening facilities designed for conventions, business meetings, and trade shows including renovation, remediation, personal protective equipment, cleaning, testing, and labor cost associated with preventing the spread of COVID-19.

As our Nation begins to emerge from the pandemic, it is clear that the economy will not be able to fully recover without targeted support to address the unique economic challenges inflicted on the face-to-face business events industry—and industry that, before the pandemic, had long been a reliable source of economic growth and jobs in communities across the country. This is why, on behalf of ECA and our partner organizations, we ask you to support swift enactment of the S.477, the *Hospitality and Commerce Job Recovery Act* to provide a targeted, yet comprehensive way to support the industry and bring back the jobs that have been lost over the past year as soon as possible.

If you have any questions or would like additional information, please feel free to contact Thomas F. (Tommy) Goodwin, ECA's Vice President, Government Relations, at (703) 672-0780 or tommy.goodwin@ecalliance.us. Thank you for your support and commitment to a vibrant face-to-face business events sector as we emerge from the pandemic.

Sincerely,

DAVID AUDRAIN,
Co-president.

DAVID DuBOIS, CMP, CAE, FASAE, CTA,
Co-president.

AMERICAN HOTEL & LODGING ASSOCIATION
April 13, 2021

Hon. JACKY ROSEN,
Chair,
Subcommittee on Tourism, Trade, and
Export Promotion,
United States Senate,
Washington, DC.

Hon. RICK SCOTT,
Ranking Member,
Subcommittee on Tourism, Trade, and
Export Promotion,
United States Senate,
Washington, DC.

Dear Chair Rosen and Ranking Member Scott,

On behalf of the American Hotel & Lodging Association (AHLA), we thank you for your steadfast leadership during this extremely challenging period for our Nation. Your efforts in Congress guiding our Nation through this unprecedented health and economic crisis continue to be critical to the recovery of the hotel and tourism industry. Relief programs, such as the Paycheck Protection Program, provided a crucial lifeline to struggling hotel businesses but more help is needed. As you examine the devastating economic impacts of the pandemic on the tourism and hospitality industry, we ask that you continue your work with your colleagues in Congress to provide necessary further relief to the hotel industry and our workforce and provide incentives to spur travel as the economy begins to reopen.

AHLA is the sole national association representing all segments of the U.S. lodging industry, including hotel owners, real estate investment trusts (REITs), chains, franchisees, management companies, independent properties, bed & breakfasts, state hotel associations, and industry suppliers. The industry is comprised of more than 57,000 properties, supports \$1.1 trillion in U.S. sales, and generates nearly \$170 billion in taxes to local, state and Federal governments. Importantly, small businesses make up sixty-one percent of the industry, and nearly half of hotels in the United States are minority owned.

The hotel industry workforce has been uniquely devastated by the COVID-19 health crisis. Prior to the pandemic, the industry supported 8 million jobs, providing \$75 billion in wages and salaries to our associates. For example, a typical hotel supports more than 250 jobs in its local community. Moreover, hotels provide workers with opportunities for lifelong careers, upward mobility, fast-tracked promotions, and workplace flexibility. Many of these jobs have been lost or put at risk because of the pandemic.

- According to the Bureau of Labor Statistics (BLS) the leisure and hospitality sector employed 3.1 million fewer workers in March 2020 compared to before the pandemic.
- The accommodations sector specifically has a 19.9 percent unemployment rate, compared to the national average of 6.7 percent. It is estimated that over the last year, the industry has lost ten years of job growth.
- Leisure and hospitality account for 37 percent of all jobs lost since the onset of the pandemic—more than any other sector, and hotels are not projected to return to pre-pandemic levels until 2024 at the earliest.

The economic impact to our industry is equally as dramatic, with industry occupancy and revenues at record lows and not projected to recover before 2024. Thousands of hotels across the country remain shuttered or operating at extremely limited levels, with ruinous consequences for jobs and the local communities our members support.

Hotels are a vital component of our Nation's economy, supporting millions of jobs, generating billions in tax dollars, and providing critical infrastructure to allow leisure, business, and government travel to function. The hotel industry is focused on safely welcoming guests back and has widely implemented AHLA's Safe Stay program to accomplish that goal. We look forward to the eventual return of travel. However, without further relief and support, the tourism and travel industry faces permanent scarring and a protracted recovery. AHLA appreciates the opportunity to provide these comments and is grateful for your work in supporting the recovery of our vibrant industry.

Sincerely,

BRIAN CRAWFORD,
Executive Vice President of Government Affairs.

PREPARED STATEMENT OF THE AMERICAN BUS ASSOCIATION

The private motorcoach industry is a vital component of the national public transportation network, providing intercity scheduled bus service, commuter and shuttle operations, school bus transportation, charter, tour and entertainment services, and in some cases contracted services for public transit authorities, airlines, and Amtrak. These same companies bring entertainers to performance venues and bring fans to concerts and events.

All sectors of the motorcoach industry provide vital transportation services to the larger national transportation network. The motorcoach industry also provides sustainable employment for hundreds of thousands of workers, both directly and indirectly. The motorcoach industry also serves this country in times of crisis, moving people out of harm's way, such as evacuating citizens during hurricanes and wildfires, and serving as component of our national defense by moving our military and their equipment for training and deployment and protecting critical infrastructure.

Prior to COVID-19, the private motorcoach industry provided nearly 600 million passenger trips annually—nearly as many as the U.S. passenger airlines—and was comprised of 2,800 companies, mostly small, diverse, family-owned businesses, operating 36,000 motorcoaches. The industry directly employed nearly 100,000 people and generated \$15 billion in sales. When looking at the total economic impact of motorcoach and group tour activities, it exceeds \$200 billion in direct and indirect economic activity nationwide and supports an additional 2 million jobs.

Today, due to the COVID-19 pandemic, the industry is devastated. It is operating at less than 20 percent of its 2019 levels, with a very slow recovery expected. While there was limited relief for the industry in the December COVID-relief package, those funds have not to date been released by the Treasury Department, have to be shared once released with school bus companies and private passenger ferries, and are widely expected to be over-subscribed. As of now, the motorcoach industry has received no specific sector-wide relief and has been largely overlooked in terms of its critical role in the Nation's transportation network, including its travel and tourism role. This is so despite the fact that the industry serves as an economic engine that supports hotels, tourist destinations, conventions and other business and pleasure travel needs.

As a result of COVID-19 between 600–800 motorcoach companies (a quarter of the industry) no longer have operating authority from the U.S. Department of Transportation, meaning they have ceased operating or have closed their doors forever. As many as 80,000 workers remain idled. Banks are repossessing motorcoaches from these family businesses.

In short, the motorcoach industry, which has been at the center of the COVID-19 “storm,” has also been brought to its knees. It has suffered huge losses due to the cancellation of entertainment events, including concerts, tours, and theatrical productions; the cancellation of group travel, high school and college sports; and the cancellation of any number of other events. It has also suffered because commuters are not going to offices and business travelers generally are staying home. All of these consequences of the pandemic have led to the dire situation the industry is now in.

The Paycheck Protection Program (PPP), although well-intentioned, reached less than one-third of the industry and only provided short-term assistance. The PPP money was quickly spent to bring employees back although there was no possible work, and the PPP program provided no relief from the burdens associated with the capital-intensive nature of the industry. The Main Street Lending Program, also well-intentioned, was delayed in implementation and the requirements are too steep for most struggling companies seeking a lifeline for survival. At this point, additional targeted financial assistance to bridge the industry through this crisis is essential for it to survive and restore the services that travelers need to get to tourist and other destinations and to be transported to venues once they are there.

Without additional targeted funding to serve as a lifeline to the motorcoach industry, the entire travel and tourism industry and many of the destinations, including large ones like Las Vegas and Orlando, and many smaller such tourist destinations across the United States that also depend heavily on the motorcoach sector, will suffer. The nation’s airlines have appropriately received such a lifeline; the motorcoach industry deserves no less.

Senator ROSEN. This hearing record, the hearing record will remain open for two weeks until Tuesday, April 27, 2021. Any Senators that would like to submit questions for the record should do so by Tuesday, April 27, 2021. For those of you who testified today, we ask that your responses be returned to the Committee as quickly as possible, and in no case later than two weeks after receipt. That concludes today’s inaugural hearing.

[Whereupon, at 4:45 p.m., the hearing was adjourned.]

A P P E N D I X



PREPARED STATEMENT OF THE TRAVEL MANAGEMENT COALITION

Dear Chair Rosen and Ranking Member Scott:

Thank you for your leadership in seeking to identify and craft policy solutions that would serve to bolster our Nation's travel industry. As you are aware, the COVID-19 pandemic continues to impose unprecedented levels of economic disruption across the travel sector. Congress has taken steps to address this by, for example, appropriating \$42 billion to aid the workforce of passenger airlines and their contractors. Critically, although the CARES Act authorized the Department of Treasury to extend loans to ticket agents and others dependent upon aviation, the Section 4003(b)(1) program failed to meet the needs of many eligible businesses, due to strict lending requirements. Many businesses critical to the restart of travel, including travel management companies (TMCs), have therefore received minimal support throughout the pandemic, despite experiencing 95 percent declines in certain markets. For example, large TMCs did not qualify for any grant amounts (airlines) or forgivable loan amounts (PPP) like many other severely distressed businesses in our industry did.

Our Travel Management Coalition—made up of large TMCs that help businesses and individuals manage complex global travel needs—believe that risk-based, data-driven policy solutions are needed to ensure the viability of the \$2.6 trillion travel industry. Specifically, Congress should work with President Biden's Administration to:

- Maintain the inbound international testing mandate, face mask requirement, and other key COVID-19 mitigation measures, which preclude the need for mandatory quarantines;
- Lift indefinite Section 212(f) countrywide travel bans and blanket quarantine requirements in favor of risk-based benchmarks that would allow for a safe, managed return to travel as more people are vaccinated and the pandemic is brought further under control;
- Exempt fully-vaccinated travelers from international testing requirements;
- Facilitate an effective rollout of private sector-driven digital health credentials for vaccine and testing verification; and
- Ensure liquidity for the travel sector by expanding qualifications for existing programs and providing new, targeted relief programs to support all TMCs and other businesses critical to the restart of travel.

Since the outset of the COVID-19 pandemic, the U.S. air travel industry has worked closely with the Federal government to formulate and implement an array of public health protocols to ensure the safety of the air travel experience. By applying an extensive, multi-layered set of biosafety measures, including enhanced cleaning, optimized ventilation, and masking requirements, the risk of COVID-19 transmission has been reduced to the extent that the World Health Organization (WHO) has *acknowledged* that air travel is safe, a conclusion *supported* by Department of Defense research. Moreover, TMCs and other aviation industry leaders continue to pursue Federal policy that will reduce the human and economic cost of COVID-19, which is why we have persistently advocated for mask mandates and international testing requirements supported by a standardized, electronic-based verification framework.

Meanwhile, largely-unenforceable quarantine measures in the U.S. continue to impede travel industry recovery, as they run counter to the purpose of business and leisure travel. These blanket quarantines are in place, despite the WHO's *recommendation* that asymptomatic travelers should self-monitor for symptoms, rather than be required to undergo quarantine, and CDC's *acknowledgement* that fully-vaccinated travelers do not need to self-quarantine.

Countrywide travel restrictions were an effective tool to curb the early spread of the pandemic, but they, like quarantines, are far too blunt an instrument now that COVID-19 test and vaccine accessibility is rapidly expanding worldwide. The bright line rule between banned travel from regions like the European Union and allowed travel has often failed to prevent people coming to the U.S. from at-risk areas. For example, on March 6, 2021, a traveler could fly to the U.S. from Chile, where there were 1,644 new COVID-19 cases per million people confirmed that day, but one would generally be unable to travel here from Norway, where just 67 new cases per million people were reported (per Johns Hopkins University CSSE COVID-19 Data).

To be clear, we do not expect all quarantine and travel restrictions to be lifted tomorrow, but the Federal government should have a transparent plan in place to lift these restrictions once established benchmarks are achieved. The Federal government has endorsed states' phased-reopening policies for restaurants, gyms, and other businesses. In the same light, Congress must work with the Administration to formulate benchmarks that would allow for the gradual restart of travel as more people are vaccinated and the pandemic is brought further under control. The status quo of indefinite restrictions and ad-hoc decision-making is exacerbating our industry's financial plight and the job security of our workforce.

Another crucial next step towards recovery is exempting vaccinated individuals from international testing requirements, while avoiding vaccine requirements as a prerequisite to travel. This policy shift would align with the CDC's *guidance* on domestic travel stating that, "[f]ully vaccinated travelers do not need to get tested before or after travel. . . ."

Furthermore, the future of air travel depends on the ability of governments to confidently determine the COVID-19 health status of travelers, which is why countries around the world are *adopting* digital health credentials in lieu of exploitable paper certificates. Since they rely on accredited labs, digital health credentials add confidence to the integrity of travelers' test results. Notably, a recent *survey* found that just over 9 in 10 international travelers would be comfortable using digital health credentials for their next trip. These tools will be essential to global economic recovery, so long as Congress and the Administration work with the private sector to develop interoperable standards to address verification, equity, and privacy concerns.

Lastly, in recognition of the pandemic's devastating impact on travel—particularly business travel, an industry essential to the safe restart of travel and the broader economy—Congress must ensure that TMCs and other air travel industry leaders obtain the financial relief needed to overcome this crisis. In particular, Congress should utilize unused CARES Act funds to expand the eligibility of PPP to uniquely impacted businesses, like large TMCs, that maintain more than 500 employees, and create new, targeted grant programs for the most impacted sectors.

We hope you will look to our Coalition to provide input as you consider policy solutions to revive travel. We stand ready to assist you in any way we can.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. JACKY ROSEN TO
STEVE HILL

National Tourism Strategy. The Federal government last developed a National Travel and Tourism Strategy before the outbreak of COVID-19. Since then, the world has changed, and it's time for a new, coordinated approach to reviving the industry.

Question 1. Thinking about the needs of our Nation's hotels, conventions, and their workers in the wake of COVID, what priorities do you think the Department of Commerce should address in a *new* National Travel and Tourism Strategy to help the industry recover?

Answer. A new National Travel and Tourism Strategy should include a global framework toward reopening international borders, particularly with low risk countries; and should include plans to add more countries as they become safer. The absence of robust international travel is felt most acutely in the convention and trade

show industry, and if current border entry restrictions remain, the U.S. is projected to lose an additional \$175 Billion in travel and tourism by the end of this year¹.

A new strategy should also aim to support a positive travel sentiment among Americans. Wide availability and rapid administration of vaccines to encourage greater penetration among the U.S. population is paramount. Highlighting vaccine efficacy to increase confidence in the vaccine will allow for guidelines such as an increase in capacity limits and a decrease in social distancing to be encouraged within the strategy.

Finally, for both international and domestic travel, going to contactless TSA checkpoints using biometric screening would ensure the safety of TSA employees, while also providing for the safety of air travelers. Promoting broader use of these automated tools across the country would also be helpful within a new strategy. These techniques have been piloted at Reagan National and Wayne County airports.

Question 2. Mr. Hill, how do you foresee the trade show industry and convention centers adapting to increase consumer confidence in business travel? What strategies are in place to increase the number of conventions held in places like Las Vegas, and how do you see the convention economy recovering? What can Congress do to help support this return?

Answer. In 2019 total economic impacts from the Las Vegas convention segment included 43,000 jobs, \$3.1B in wages and salaries with an overall \$11.4B total economic input. To once again achieve those numbers, or better yet, surpass them, the convention and trade show industry must adapt to increase traveler confidence and ensure a safe experience for convention goers.

It is imperative industry stakeholders meet the challenge of updating their safety infrastructure to include enhanced health safeguards such as screenings, strict cleanings and social-distancing rules help to keep convention goers at ease. The Las Vegas Convention and Visitors Authority has taken several steps to improve air filtration and ventilation throughout the convention center campus such as increasing total airflow supply and the percentage of circulated outdoor air, per CDC recommendations. We were recently awarded the Global Biorisk Advisory Council, GBAC-STAR facility accreditation from the Worldwide Cleaning Industry Association. This is the gold standard for safe facilities and ensures we have gone above and beyond to address visitor and employee safety aligned with not only state and local directives, but with emerging global standards.

Congress can support recent legislation that has been introduced which will be of great benefit to the convention and trade show industry. Passage of the Hospitality and Commerce Job Recovery Act, a bipartisan bill sponsored by Senators Cortez Masto and Kramer would support the convention and trade show industries by establishing a tax credit for the cost of attending or hosting a convention, business meeting, or trade show in the U.S. This legislation will be significant in driving travel demand and has the potential of creating 1.5 Million jobs and approximately \$600 Billion in economic output.

In addition, supporting the passage of the TRAVEL (Transportation Resources to Add Vital Economic Longevity) Act sponsored by Senator Cortez Masto would ensure federal, state, and local governments are taking travel and tourism needs into account within their transportation plans, helping to boost economies like Nevada's that have been hit especially hard due to pandemic related travel and tourism restrictions.

TRAVEL PROMOTION STRATEGIES: Travel Promotion Strategies. Travel promotion remains critical for highlighting potential travel destinations to domestic and international visitors. The LVCVA has implemented successful and iconic marketing campaigns like "What Happens in Vegas, Stays in Vegas", "What Happens Here, Only Happens Here", and "Why Vegas" to highlight Las Vegas as a central destination for a vacation and business travel.

Question 3. As more and more Americans get vaccinated and start traveling again, can you speak about how you foresee future marketing campaigns? What should other direct marketing organizations around the country be considering as they develop their travel promotion strategies, particularly given a more reluctant traveling public?

Answer. Like all marketing efforts, the key is to be creative and nimble in responding to and forecasting consumer demand and market needs. The world is different as a result of the pandemic and marketing campaigns must rise to the occasion, acknowledging the need to incentivize safe travel. Targeted marketing efforts

¹ US Travel Association

to encourage corporate business travel, associations, and other group segments will help drive exhibitor and attendee attendance.

Connecting marketing campaigns with other industry stakeholders is also wise. As airlines plan future flight schedules and aim to optimize their profitability, destination marketing organizations (DMO) will need to find ways to stay competitive and help incentivize flights in and out of their respective destinations.

Further, DMOs are integral parts of their local communities and should continue to explore avenues to actively participate in the COVID-19 response. Partnership with local, regional, and state leaders will be critical for any DMO to manage their recovery strategies.

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. DAN SULLIVAN TO
STEVE HILL

Question. Last week a report was issued on the economic impacts the cancellation of last year's cruise ship season had on Alaska. The report estimated the loss annual loss to Alaska exceeds \$1.6 billion, and predicts that a two-season impact could exceed \$3.3 billion.

Business meetings have been a significant contributor to the cruise industry and to Alaska's state economy. It appears there will be a significant lag before business meetings, conventions and trade shows rebound following the pandemic.

What can Congress do to help jumpstart the business meeting, trade show and convention industries?

Answer. Restoring international inbound travel will be essential toward reactivating convention and business travel. Congress should look to partner with the CDC and local health agencies to create sensible Federal guidelines for international travelers which would allow for freer travel while maintaining safety. Recent CDC decisions signaling a decreasing need for mask wearing as a result of greater vaccine penetration are helpful toward incentivizing more travel. The industry needs the consistent support of Congress toward increased vaccine availability and messaging to increase confidence in vaccine efficacy.

Passage of the Hospitality and Commerce Job Recovery Act, a bipartisan bill sponsored by Senators Cortez-Masto and Kramer would support the convention and trade show industries by establishing a tax credit for the cost of attending or hosting a convention, business meeting, or trade show in the U.S. This legislation will be significant in driving travel demand and has the potential of creating 1.5 Million jobs and approximately \$600 Billion in economic output.

We would also appreciate Congress providing funding in support of Brand USA, a public-private partnership that enhances tourism and job creation across the country through global marketing. Brand USA has helped to bring 7.5 Million international visitors to the U.S., generating a total economic impact of \$55 Billion, and supporting over 52,000 jobs annually. Like many in the travel and tourism industry, Brand USA has suffered financially through the pandemic and an infusion of Federal funding to will assist them in their vital role toward restoring visitor volume and jobs.

Finally, showing confidence in the American tourism industry and our current practice of enhanced health safeguards such as updated HVAC systems, coupled with widespread COVID-19 vaccine penetration will help restore faith for American businesses that it is safe and appropriate to begin business travel once again.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. JACKY ROSEN TO
JORGE PEREZ

National Tourism Strategy. The Federal government last developed a National Travel and Tourism Strategy before the outbreak of COVID-19. Since then, the world has changed, and it's time for a new, coordinated approach to reviving the industry.

Question 1. Thinking about the needs of our Nation's hotels, conventions, and their workers in the wake of COVID, what priorities do you think the Department of Commerce should address in a *new* National Travel and Tourism Strategy to help the industry recover?

Answer. The travel and tourism industry is a pillar of the American economy. While the industry is beginning to see signs of recovery, full economic recovery of the industry is not expected to return until 2025¹. A coordinated *National Travel*

¹*U.S. Travel*

and *Tourism Strategy* with the travel and tourism industry is important for a full and speedy recovery.

As travelers become more conscious of safe and alternative ways to travel, the Department of Commerce and the *National Travel and Tourism Strategy* must work to promote safe, high-quality, and unique tourism experiences. The Department of Commerce should focus on the infrastructure needed to support and drive such demand, including modernized and efficient ways to travel by air, rail, and road, which could include technological advances in check-in procedures at ports of entry and electronic vehicle charging stations near active roadways.

In addition, international travel spending suffered the sharpest decline in 2020, falling 76 percent from 2019 levels². The U.S. travel and tourism industry suffered a loss of \$766 billion last year in direct, indirect, and induced impacts³. As states reopen, the U.S. needs to examine reopening our borders to tourism and welcoming back our international visitors.

Past and Future Relief for Restaurants and Hotels. Like our hotels, Nevada's restaurants have been struggling due to the COVID-19 slowdown in travel and tourism. According to a recent report conducted by the National Restaurant Association, sixty-two percent of fine-dining operators and fifty-four percent of family dining and casual dining operators say that staffing levels remain twenty percent below the pre-pandemic average.

Question 2. Which type of relief, such as PPP, EIDL, and the Employee Retention Tax Credit, was the most helpful with keeping hotels and resorts afloat?

Answer. The coronavirus pandemic continues to be a devastating health crisis that has caused severe economic impacts throughout the world. The Las Vegas Strip went dark for the first time in its history, with resorts, casinos, hotels, and other businesses closing indefinitely in March 2020. Actions taken by Congress to provide relief to the travel and tourism industry provided much needed relief to many throughout the industry. Our small business partners have been able to stay in business through programs such as the Paycheck Protection Program. Communities have benefited from extended unemployment insurance benefits and economic injury disaster loans. MGM Resorts was aided in our efforts to provide extended health care benefits to our employees and their families through the Employee Retention Tax Credit.

As our country continues to recover, I urge Congress to consider policy priorities for the travel and tourism industry, including the bipartisan *Hospitality and Commerce Job Recovery Act of 2021* which provides individual tax credits to stimulate nonbusiness travel, restores the entertainment business expense deduction, and would provide tax relief for restaurants and food beverage companies. Additionally, it would assist another vital part of the travel economy through tax credits associated with reopening facilities for convention and trade shows, including renovation, remediation, PPE, cleaning, testing, and other associated labor costs.

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. DAN SULLIVAN TO
JORGE PEREZ

Question. Last week a report was issued on the economic impacts the cancellation of last year's cruise ship season had on Alaska. The report estimated the loss annual loss to Alaska exceeds \$1.6 billion, and predicts that a two-season impact could exceed \$3.3 billion.

Business meetings have been a significant contributor to the cruise industry and to Alaska's state economy. It appears there will be a significant lag before business meetings, conventions and trade shows rebound following the pandemic.

What can Congress do to help jumpstart the business meeting, trade show and convention industries?

Answer. While the tourism industry is beginning to see signs of recovery, full economic recovery of the industry is not expected to return until 2025. Business travel is forecasted to be down 85 percent through the beginning of 2021, and then only begin increasing slightly. Congress has helped the industry stay afloat through various programs such as the Employee Retention Tax Credit and the Paycheck Protection Program. Congress can continue to help recovery by passing measures such as those included in the *Hospitality and Commerce Job Recovery Act*, which includes incentives for business travel such as tax credits for the cost of attending or hosting a trade show or convention, and for qualified restart costs for venues hosting busi-

²U.S. Travel

³World Travel and Tourism Council

ness meetings, trade shows, and conventions, to ensure such events are hosted safely. The travel industry has been one of the hardest hit industries as a result of COVID-19 and we look forward to working with Congress to support measures that encourage both leisure and business travel.

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. DAN SULLIVAN TO
TORI EMERSON BARNES

Question. Last week a report was issued on the economic impacts the cancellation of last year's cruise ship season had on Alaska. The report estimated the loss annual loss to Alaska exceeds \$1.6 billion, and predicts that a two-season impact could exceed \$3.3 billion.

Business meetings have been a significant contributor to the cruise industry and to Alaska's state economy. It appears there will be a significant lag before business meetings, conventions and trade shows rebound following the pandemic.

What can Congress do to help jumpstart the business meeting, trade show and convention industries?

Answer. Thank you for the question. Business travel spending in the U.S. fell from \$348 billion in 2019 to just \$103 billion in 2020—a 70 percent decline. General business travel spending declined by 66 percent while conferences, conventions, and trade show spending declined by 77 percent. In Alaska, business travel went from \$420 million in 2019 to \$110 million in 2020, a 74 percent loss. While some states and businesses across the country are reopening, business travel remains constrained by overly broad State and local restrictions on large gatherings that don't take into account industry standards and practices that are known to be effective against the spread of COVID-19 and can allow business meetings and events to safely resume.

There are two specific things Congress could do to help revive business meetings and events. First, Congress should call on the CDC to promptly provide guidance for the safe return of professional meetings and events (PMEs)—guidance that acknowledges the controlled environment in which they occur. PMEs are tightly supervised, involving months of planning and preparation. They allow for a more reliable application of health and safety measures than social gatherings and large public events, and therefore should have specialized guidance. Furthermore, such guidance should be adaptable to changing dynamics on the ground, in accordance with the recommendations of the CDC's own COVID-19 Response Team:

Often, decisions made with the intent to reduce the disease burden during a pandemic are made with incomplete information. Effectiveness of mitigation strategies and adoption of recommended behaviors must be continually reevaluated throughout the pandemic, even as vaccination continues, and prevention strategies must be adapted to the current situation and local context, informed by local data, such as case control investigations.

Identifying COVID-19 Risk Through Observational Studies to Inform Control Measures (pg. 1-2) Static risk controls divorced from new information, evolving conditions on the ground, or general community needs not only become less effective over time but can also hurt the communities they're meant to serve.

Second, Congress should pass the Hospitality and Commerce Jobs Recovery Act (S. 477). The bill contains targeted incentives to encourage businesses to reengage in contracting and planning business meetings and events. The bill also includes tax breaks to help meeting venues cover the cost of health and safety investments, as well as tax incentives to encourage low- and moderate-income Americans to resume travel planning. According to Tourism Economics, business travel spending will take an estimated four years to recover to pre-pandemic levels, which would be a significant drag on rehiring in the travel industry. S. 477, if enacted, will significantly accelerate the pace of recovery in the travel industry, generating close to \$600 billion in economic activity that wouldn't have otherwise occurred, producing 1.5 million net new jobs, and shortening the recovery timeline to just 3 years.

Having lost over a year of business to the pandemic, it's important to quickly put these measures in place to allow for the safe return of business meetings and events and help restore travel demand across the country.

Thank you for your question.

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. DAN SULLIVAN TO
CAROL B. DOVER

Question. Last week a report was issued on the economic impacts the cancellation of last year's cruise ship season had on Alaska. The report estimated the loss annual loss to Alaska exceeds \$1.6 billion, and predicts that a two-season impact could exceed \$3.3 billion.

Business meetings have been a significant contributor to the cruise industry and to Alaska's state economy. It appears there will be a significant lag before business meetings, conventions and trade shows rebound following the pandemic.

What can Congress do to help jumpstart the business meeting, trade show and convention industries?

Answer. Thank you for the opportunity to address this question. Business travel, trade shows, and conventions significantly contribute to the success of Florida's hotels and restaurants, as well as to the overall state economy. Business travel remains down 85 percent, and large events and conventions have yet to come back. Here are a few things Congress could do to support the business meeting, trade show, and convention industries.

First, they could increase tax breaks for business travel and expenses.

A second option would be to subsidize airlines and rental cars to reduce fares and rates, making travel more economical to consumers. Rental car prices have soared and airline tickets, once at their cheapest levels in recent history, have increased to—in some cases—higher than pre-pandemic.

A third option would be to raise the travel reimbursement and expense limitations for government employee travel.

As referenced in the question, cruises also significantly impact Florida's tourism and business sectors, and we need to get our cruises operating again. Data released from the Cruise Lines International Association shows that Florida accounted for more than 60 percent of all passenger embarkations in the U.S. in 2019. Florida businesses received more than \$9 billion in direct expenditures, which generated total economic impacts of nearly 160,000 jobs and over \$8 billion in statewide income.

Another potential option that might help in national recovery would be Federal or national COVID-19 liability protections for businesses acting responsibly. We passed this important legislation for Florida businesses, but many of our conference and other visitors are from out of state.

