

**INVESTING IN AMERICA'S TOURISM
AND HOSPITALITY WORKFORCE
AND SMALL BUSINESSES**

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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INVESTING IN AMERICA'S TOURISM AND HOSPITALITY WORKFORCE AND SMALL BUSINESSES

TUESDAY, MAY 25, 2021

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

The Subcommittee met, pursuant to notice, at 3:03 p.m., in room SR-253, Russell Senate Office Building, Hon. Jacky Rosen, Chairwoman of the Subcommittee, presiding.

Present: Senators Rosen [presiding], Klobuchar, Scott, and Blackburn.

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

Senator ROSEN. Good afternoon and welcome to today's hearing, Investing in America's Tourism and Hospitality Workforce and Small Businesses. Today we will examine the state of the tourism and hospitality workforce in the wake of the COVID-19 pandemic, as well as the experiences and challenges of the tourism and hospitality related small businesses, and those business outside the industry who, nonetheless, depend on travel and tourism to bring them customers.

We will also review regional impacts of the pandemic on communities that rely on tourism and hospitality workforce and receive insight on how Congress can support workers and small businesses, as the travel and tourism industry recovers.

U.S. hotel and hospitality industry continues to experience severe pandemic-related impacts and, consequently, so do the workers in that industry. For Nevada, this is almost 25 percent of our work force. Prior to the pandemic, in 2019, Nevada's job market exhibited signs of strength, with a seasonally adjusted unemployment rate of about 3 percent. Just over 1 percent unemployment rate among workers covered by unemployment insurance.

However, by mid-March 2020, as the world began seeing the impacts of the public health crisis, situations started to change dramatically. Our seasonally adjusted unemployment rate rose to over 6 percent, followed by a steep and unprecedented increase to 30 percent in April 2020. The highest unemployment rate in the Nation, I may add.

So, for two weeks in March, initial unemployment claims increased, from just over 6,000 to over 92,000 claims. This significant

rise in unemployment in Nevada, in part, reflects our State's reliance on leisure and hospitality employment in the State economy.

Tourism drives most of the demand in the hospitality industry, and COVID-19 decimated tourism. At the onset of the crisis, Nevada's leisure and hospitality sector was the largest contributor to wage and salary employment. In February 2021—2020, excuse me, the leisure and hospitality sector employed over 356,000 workers, in a State with an overall population of just a little over three million.

Taken together, this data suggests that workers in leisure and hospitality have probably borne the brunt of unemployment in Nevada. According to the Bureau of Labor Statistics nationwide, leisure and hospitality lost 2.8 million jobs during the pandemic that have yet to return. This represents more than 25 percent of all unemployed persons in the United States.

The 99 percent of businesses in Nevada that are small businesses have also struggled, particularly minority-owned small businesses who are far too often disproportionately impacted economic slowdowns and left behind in economic recoveries. I have made support for workers in small businesses one of my top priorities during the pandemic. And I call on my colleagues here today to not lose sight of the fact that this has been an uneven recovery, one in which small businesses and workers, in the hardest hit states, and will continue to need our help until we are fully past the pandemic.

We will build back better. But it is going to take time and it is going to take investment. While many industries in Nevada are starting to come back, statewide, the leisure and hospitality industry is only at 70 percent of its pre-COVID peak employment levels. That is down more than 106,000 jobs.

The strong and robust presence of organized labor in Nevada directly aids the recovery for workers. Compared to other states in the Mountain West, Nevada has maintained a relatively higher rate of unionization in recent years, according to the Bureau of Labor Statistics. In 2019, more than 14 percent of employed workers in Nevada belong to unions, which is an increase of 2.5 percentage points over 2016 levels. And it is much higher than the nationwide figure of just over 10 percent.

Unions in Nevada helped to improve quality of employment relationships and working conditions. You know, as a college student coming home for the summer, I was a member of Nevada's Culinary Workers' Union, Local 226, when I waited tables at Caesar's Palace. And I am grateful for that job that helped me pay for my college tuition. And you know, the Culinary Workers' Union is the largest private-sector union in Nevada. It represents approximately 60,000 workers and organizes them in casino and hotel properties on the Las Vegas strip and downtown—represents housekeepers, bartenders, bellmen, and many others.

The Culinary Workers' Union has been a lifeline for the hospitality workforce in Nevada. And in fact, the very last in person meeting I took in Capitol Hill, before we closed our offices in March due to the pandemic, was with Mr. D. Taylor, President of UNITE HERE, the union with which Nevada's Culinary 226 is proudly af-

filiated. So, I am pleased to have him here today testifying as an expert witness.

Mr. Taylor and UNITE HERE have gone above and beyond during the pandemic, to support the workers they represent, even running their own food bank when the local economy was in the most dire situation. In the early months of the pandemic, when 98 percent of the more than 300,000 UNITE HERE workers were out of work, Mr. Taylor and the union stood by their members. And I look forward to his testimony here today, about how we get tourism and hospitality moving again.

Also, testifying virtually today, to share their expertise, insight, and recommendations, we have Nevada's own Shaundell Newsome, Chair of the Las Vegas Urban Chamber of Commerce, which works to provide access to local, national, and global markets for small and diverse businesses in Southern Nevada.

In addition, we are pleased to have representatives with us from the following organizations, of course, virtually. The Florida Attractions Association which promotes and advances the interest of businesses in the attraction industry, and World Travel Holdings, a leisure company.

It is my hope that today's hearing will help us better understand the challenges the small businesses and the hospitality work force—the challenges that they face, as a result of depressed business and leisure travel caused by the pandemic. And that today's hearing will provide a forum for an engaging discussion on how to support workers and small businesses, as they recover.

Thank you all again for being here today. I look forward to hearing each of you share your experiences and expertise. And now, I am going to turn it over to Ranking Member Scott for his opening statement, and then, we will introduce our witnesses. Senator Scott.

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

Senator SCOTT. Yes, I want to thank Chair Rosen for hosting this hearing today. I want to thank all the witnesses for being with us and sharing your perspectives.

There is a lot that the State of Nevada, especially Las Vegas, has in common with the State of Florida. We are very much dependent on our tourism industry and I know we have four wonderful witnesses today that are going to talk about the impact that it has had on our small businesses. I want to thank Bill Lupfer and Drew Daly for testifying today and sharing their insights from Florida's small businesses and their employees.

Florida, like Las Vegas, is a global travel destination. People from all over the world come to enjoy our beaches, our attractions, and all our state has to offer. When I was Governor, we worked hard to grow our tourism industry. And we actually were able to grow it from about 80 million tourists a year, by the time I left to 126 million tourists. A record each of those years.

I know this pandemic has impacted each of us differently and all of our small businesses differently. We have had to adapt to make sure our families, our businesses, and our employees stay safe. Unfortunately, the COVID-19 pandemic has severely hurt Florida's

travel and tourism industries, which comes with a chain of economic impacts on our restaurants, our small businesses, and our families. And I know Chair Rosen has seen the same thing in Las Vegas and Nevada.

I am glad to see that Florida is open for business again. But in order for our State and our Nation to fully reopen and get our economy back on track, we have to continue to work together. I have been hearing from many of our small businesses in Florida, they are struggling to find workers to fill their open jobs because they are competing with enhanced Federal unemployment benefits. I have supported targeted aid for struggling families and businesses, but I have been clear that the Federal Government should not be paying Americans more to stay home than go back to work.

I am glad to see Governors across the Nation are taking action to get their citizens back to work. I am also on a bill with several of my colleagues to phaseout this disincentive to work. While I will always work to support our small businesses, get Americans back to work, and get our economy fully open. But we also always have to make sure we help those that still need our help.

I have also been very focused on getting the safe resumption of our cruise line operations. Something that, hopefully, a lot of people from Las Vegas enjoy, but we do not see many cruises from Las Vegas. So, many of our businesses and workers that rely on the cruise industry have been left at a standstill for over a year now, waiting for the CDC guidance, while so many industries have reopened. You can go to a restaurant. You can go to an amusement park. You can go stay in a hotel. But the CDC has made it very difficult for our cruise industry to get started again.

I am glad the CDC has finally answered my call and the call of many of my colleagues, to get things moving in the right direction, so our cruise industry can get back to work. But the CDC, unfortunately, has treated our cruise industry terribly over the past year. And I am going to continue my fight and work with the CDC to make sure we reach a quick and equitable solution that keeps people safe that want to cruise, the employees safe, but also protects the jobs in Florida. And I know there are jobs in Las Vegas tied to the cruise industry, and all across our Nation.

As our Nation works to recovers from the coronavirus and get our economy back on track, I remain committed to doing everything I can to support our travel industry in Florida, and across the United States.

I look forward to hearing from all of our witnesses. I want to thank—again, thank Chair Rosen for organizing this hearing and inviting the witnesses she has invited. And all of us want to understand how the COVID-19 has impacted our industries and how we can help them succeed. So, thank you. Thanks again, Chair Rosen.

Senator ROSEN. Thank you. And you can cruise on Lake Tahoe and Lake Mead.

Senator SCOTT. That is right.

Senator ROSEN. It is not the same as a Caribbean cruise but—

Senator SCOTT. Actually, it is fun.

Senator ROSEN.—you can have a nice dinner cruise on both of those. So, thank you, Senator Scott.

I would like to introduce our first witness, who is testifying with us remotely today, D. Taylor. He is the International President of UNITE HERE. With over 40 years in the labor—experience in the labor movement, Mr. Taylor has successfully organized labor negotiations throughout the country, and has helped grow the culinary union in Nevada to its current membership level of nearly—approximately 60,000 members.

Nationally, UNITE HERE currently represents over 300,000 active union members who work in various roles in the hospitality industry—hotels, food service, laundry, warehouses, and casinos. Mr. Taylor, you are now recognized for your opening remarks.

**STATEMENT OF D. TAYLOR, INTERNATIONAL PRESIDENT,
UNITE HERE**

Mr. TAYLOR. First, I want to thank you, Senator Rosen and Senator Scott. It is a real honor and privilege to actually speak in front of you all. Hopefully, this will be the last remote hearing that I have to be involved with, because I am sure, like everybody else, we are really tired of Zoom.

So, we represent over 300,000 members, throughout the United States and Canada. At the beginning of the pandemic, 98 percent of our workers were laid off and, even today, 50 to 60 percent are still not working.

First, in the gaming industry, employment has increased more in the gaming industry, but still it is far behind in what it was before the pandemic. In Atlantic City, we have about 75 percent of our members back. In Ohio about 75, Detroit about 65, Mississippi about 65, Las Vegas a little over 50 percent, and New Orleans 32 percent. And some of the reasons why our workers are not back is because casinos have moved to eliminate a fair amount of food and beverage jobs and also, changes in housekeeping.

In food service, the employment there, for example, airline catering. We have about 70 percent of our workers back, but that has really been paid through the CARES Act funding. In traditional cafeterias, only about 55 percent. In airport concessions, when people come through, only about 45 percent. And in stadiums and arenas, less than 40 percent and big convention centers, 5 percent or less. And there is real concern there about when those jobs will come back because that involves both large and small employers.

And in hotel employment, there is really a bifurcation in those—some of those leisure markets like Florida, Arizona, and Hawaii. We are starting to return back to pre-COVID levels, but not where it was. But in those markets that have been heavily relying on business, groups, international travel, those numbers are so far below what it was before the pandemic, it has affected the abilities of people to come back to work.

Now, we have a concern, too, in the last two downturns, after 9/11 and the Great Recession, some of those temporary job reductions became permanent. And in fact, between 2001 and 2019, hotel industry employment, by room count, decreased by 20 percent. And we have issues, which we have found to be perplexing.

In many cases, we have heard about the inability to get people to come back to work, and at the same time, I think some of that has been caused by the inability of companies to say, you have the

right to be recalled. And as we all know, older workers that are terminated, 1 in 10 earn much less than what they earned previously. And so, on one hand, we have a cry for workers and the other hand, just the basic idea of somebody has been with the company 20 or 30 years has to start off as a new hire somewhere. You can understand that quandary. And in fact, here in Las Vegas we had that problem where Station Casinos fired 7,000 workers. So, they have to start all over again, even if you have been with the company 20 or 30 years.

Subcontracting, United Airlines got an enormous amount of money from the payroll support program, \$7.7 billion, actually, from the government. And now they are looking to subcontract out all their kitchens, with no guarantee of work or benefits.

And service cuts, many hotel owners have been extremely aggressive about this. Like, for example, to end daily room cleaning. And so, for example, the CEO of Park Hotels, the biggest private sector of owners—owner of Hiltons, have said they want to have a permanent reduction of full-time, hotel level staffing.

So, on one hand, we have companies that have really done the right thing and I want to point out one from Florida and one from Nevada. In Florida, Disney, for example, has done tremendous work. They extended health care benefits for all their employees, throughout this pandemic and loaded up all the unemployed people into the Florida system which, as everybody knows, had some serious issues. And in Nevada, the Wynn Resorts stepped up completely on continuing to pay people and also, extend benefits.

So, we are worried about the future and, at the same time, we think there is a lot that needs to be done to get back on our feet, both with companies and workers.

Thank you so much, Senator Rosen and Scott.

[The prepared statement of Mr. Taylor follows:]

PREPARED STATEMENT OF D. TAYLOR, INTERNATIONAL PRESIDENT, UNITE HERE

Chairwoman Rosen, Ranking Member Scott, and Members of the Subcommittee, thank you for inviting me to testify today.

UNITE HERE represents over 300,000 workers in hospitality, including hotels, gaming, food service, airports, and more. Our members are overwhelmingly women and people of color, and they were among the hardest hit by the COVID-19 virus itself and by job loss and everything that comes with it—trying to make rent, put food on the table, and get health care for their families. Ninety-eight percent of our members were laid off at the start of the COVID-19 pandemic, and 70 percent remain out of work today.

Current employment levels in hospitality vary widely by sector and region.

Nationally we estimate that 70 percent of UNITE HERE airline catering workers have returned to work or are being paid through CARES Act funding. Employment levels for our members are around 55 percent in traditional cafeterias (including corporate, higher education, manufacturing, and tech cafeterias), 45 percent in airport concessions, 40 percent in stadiums and arenas, and 5 percent or less in convention centers. A key concern in food service is that we do not yet know how corporate cafeteria workers will be affected if major companies such as Facebook allow employees to continue working from home after the pandemic restrictions end. We estimate that this could result in permanent job loss for 3,000 to 5,000 of our members.

In gaming, employment is approaching pre-COVID levels for our members in some regional markets. Seventy-five percent of our members in gaming are back to work in Atlantic City and Ohio, 65 percent are back in Detroit and Mississippi, and just under 60 percent are back in Southern Indiana. Employment is lagging in destination markets that depend on group business and air travel. Only 50 percent of

our members in gaming have returned to work in Las Vegas, and just 32 percent are back in New Orleans.

Hotel employment varies widely by region. Hotels in some leisure markets like Florida and Hawaii have returned to pre-COVID occupancy levels, while occupancy remains lower in markets focused on business, group, and international travel.

Some have suggested that Americans who are laid-off and on unemployment just don't want to return to work. In fact, employers in the hospitality industry are trying to *reduce* staffing, and the way to help get Americans back to work is not by slashing the safety net but by holding hospitality companies accountable to bring jobs back.

Americans are smart. They want a steady income, but they need childcare, they want to be safe, and they want a job that's worth it.

Workers with kids—especially women—may not have access to in-person schooling or childcare where they trust that it's safe. Many workers are still waiting to be two weeks past their second dose, so they're not fully vaccinated yet. And finally, a lot of folks felt burned by sudden layoffs and termination of benefits at the beginning of the pandemic, so some have left for industries that they perceive to be more stable.

Frankly, if you're an employer worried that people make too much on unemployment, that probably means that you've been getting away with poverty jobs and now the chicken has come home to roost. You've got to ask, are you paying enough and offering the kind of benefits that make a job worth taking? Our union has won hospitality jobs that are worth it, and where that's the case, people are ready and waiting to get called back.

The real question is—are those good jobs going to be there? Some hospitality employers are using this crisis to try to make jobs worse or to eliminate them altogether. Business is returning, but the hospitality industry is leaving workers out of the comeback in three ways:

First is denying workers what we call "recall rights." In most cases, unless you have a union contract, there's nothing that requires your employer to bring you back when the business returns. Workers who are terminated and replaced rather than "recalled" make on average 11.8 percent less in wages when they get a new job. Of older workers who are laid off involuntarily, only 1 in 10 will ever earn as much again.

Look at Station Casinos, which fired 7,000 of its employees. Longtime Station Casinos workers have lost their jobs as a result of the COVID-19 pandemic due to no fault of their own, and they should get their jobs back when their businesses reopen or resume operations. But Station Casinos has opposed Senate Bill 386, a proposal in Nevada's state legislature that would assure worker's Right to Return.

Another example is the food service company HMSHost, which furloughed over 9,000 employees in March 2020. In some places HMSHost has refused to provide assurances that it will bring back workers as air traffic returns, and in at least one case it moved to replace longtime workers with new hires. Without "recall rights" a company can throw you out like an old pair of shoes. We can't let that happen.

Second is subcontracting. Companies can save money by switching to contractors with lower wages, few or no benefits, and no union. Look at United. United got \$7.7 billion from the Payroll Support Program, which was designed to keep workers in their jobs so the industry could rebound faster. The PSP has restrictions on job eliminations, but there's a loophole: the restrictions are going to expire in the fall, and United has already solicited bids from contractors to outsource its catering kitchens when the PSP restriction ends. These are industrial kitchens where workers prepare the food and beverage that's served in flight, and that's 2,500 jobs in Cleveland, Denver, Honolulu, Houston, and Newark. United has refused to promise longtime workers that they will be able to get a job with any contractor that starts doing the work, or maintain their pay and benefits. We're asking Treasury to stop United from exploiting that loophole. Subcontracting threatens good jobs.

Third is service cuts. Some hotel owners are pushing operators to make permanent cuts to the services they offer guests, which means that those hotels will need less workers even when they get back to peak occupancy.

In November of 2020, Thomas Baltimore, the CEO of Park Hotels, which is the biggest private sector owner of Hilton hotels, said that Park Hotels would pursue "permanent reduction of fulltime, hotel level staffing." In May of 2020, Host CEO Jim Risoleo said, "We view . . . this crisis truly as an opportunity to redefine the hotel operating model," explaining in November 2020, "We won't have the incremental cost associated with housekeeping." Host is the largest private sector owner of Marriott hotels.

This is part of a pattern. After each of the two most recent crises in tourism, 9/11 and the Great Recession, hotels slashed jobs. Many workers were never brought

back, and from 2001 to 2019 the hotel industry ultimately cut employment levels, measured by the number of employees per hotel room, by 20 percent.

This time around, some hotel owners are pursuing so-called labor “efficiencies” through reduced cleaning services in housekeeping, reduced food and beverage amenities, and other permanent cuts to guest services. We estimate that the end of daily room cleaning alone would result in the elimination of up to 180,000 U.S. jobs. In gaming, some casinos are moving to eliminate jobs in food and beverage, such as by replacing buffets with fast food.

Honestly when you think about a hotel with no daily room cleaning, where the F&B is just grab-and-go, that’s almost like a college dorm experience. That’s bad for customers, but it’s also bad for workers and communities because housekeepers, cooks, servers—that’s the backbone of the service economy. Taking away those jobs would mean some people will never recover.

UNITE HERE members just want to provide for their families, but we’re seeing employers use the pandemic to eviscerate the jobs of women and people of color. That’s the real threat to our economic recovery.

When we talk about getting folks back to work, the way you do that is not by taking unemployment benefits away like some states are doing. That just punishes Americans who’ve been struggling for 14 months already. Public officials must instead hold hospitality companies accountable and fight against a jobless recovery by making Federal assistance conditional on recipients rehiring their long-time workers with good wages and benefits.

UNITE HERE members are fighting to defend our jobs, and that’s where workers need your leadership and your support. Thank you.

APPENDIX A: SUPPLEMENTARY STATEMENTS FROM HOSPITALITY WORKERS

1. Barbie Tivas: Station Casinos, Las Vegas, NV

My name is Barbie Lee Tivas and I have worked at Green Valley Ranch Resort Spa and Casino as a banquet server for 13 years. I have invested time, blood, sweat, and tears during my 13 years with Station Casinos. My work helped to further their profits in the good and bad times. I don’t want to be abandoned when their businesses recover.

Over the past 7 months, I have had to squeeze my finances and just pay for the bare minimum like groceries, gas, and utilities. I was also able to get a forbearance on my mortgage, thank God, which has really helped my family. I am 54 years old and I do not want to lose my job at this age after so many years of working hard. I’m proud of the work I do and I help my company to be successful. Every single one of my coworkers and I should have the opportunity to return back to work when the economy recovers. I have hope that things will be normal again, and when they are, I don’t want to be left behind.

2. Fernando Herrera: United Catering, Houston, TX

My name is Fernando Herrera, and I have been a transportation driver at United Airlines catering for 20 years. I was shocked to hear that United is planning on sub-contracting out the kitchen—United has not really informed us about anything. Right now, we don’t know what to do or how to prepare.

It is an injustice. It’s not fair that United even after getting the money from the government, is considering laying people off. That’s all me and my coworkers think about. I am the sole provider for my wife and son, so this news affects my whole family. I don’t know what my family and I will do or if I’ll be able to find work after 20 years at the same job.

I’m scared most about losing my healthcare. I had a heart attack in 2016 and had to be out of work for four months after my surgery. My healthcare is really important to me to be able to stay healthy, and I fear what will happen if in a few months, I lose my job and my health insurance.

3. Judith Ramirez: Marriott, Honolulu, HI

My name is Judith Ramirez, and I’ve worked at the Sheraton Waikiki in Honolulu, HI for three years. It’s scary to think that Marriott might not call me back to work if there is no more daily room cleaning. If there are fewer rooms to clean, there will be fewer jobs for housekeepers.

Losing my job wouldn’t hurt only me, it would hurt my whole family. I have two young children to feed. Without my job, I can’t afford to put food on the table, pay the mortgage, or help my family in the Philippines. The housekeepers in my hotel are almost all women of color, and most of the other jobs we have found have lower

wages and unaffordable health care. Housekeepers have fought hard to make our jobs better, and we don't want to lose them.

Senator ROSEN. The microphone—Thank you, Mr. Taylor for your insights into the hospitality workforce and into our States and important cities.

And so now, I would like to turn it over to Senator Scott to introduce our next witness. Senator Scott.

Senator SCOTT CEO of Florida Attractions. He represents over 120 theme parks and tourist attractions in Florida. He is—I had the pleasure to work with Bill when I was Governor. He and a lot of others, they bring a lot of visitors to our state. So, welcome, Bill. I look forward to hearing from you.

STATEMENT OF BILL LUPFER, PRESIDENT AND CEO, FLORIDA ATTRACTIONS ASSOCIATION

Mr. LUPFER. Thank you, Senator. Good afternoon Chairwoman Rosen and Ranking Member Scott, and members of the Subcommittee. I want to thank you for your leadership in addressing the pandemic's devastating economic damage, specifically to the Nation's hardest hit sector, travel and tourism. I am honored to participate in this hearing on Investigating America's Tourism and Hospitality Workforce and Small Business.

Founded in 1949, the Florida Attractions Association, or the other FAA, is Florida's trade association representing the tourist attraction industry. Florida's heritage as a vacationland has evolved through the decades. As our state's natural wonders continue to attract visitors from around the world, our state's man-made attractions have evolved from kitschy roadside attractions to now include the world's most popular theme park destinations.

Today, the FAA is comprised of 250 member businesses. The state's largest attractions are members, however, most of our members are small businesses. Only 10 percent of our members are publicly traded companies. Many of our members represent 3rd and 4th generation owner/operators of their family's attractions. And forty percent of our members have an annual paid attendance of under 100,000 guests.

Florida's non-essential businesses, including our attractions, closed around March 15 of last year. During this time, the actions of Congress to provide support and relief to small business was a great help. The CARES Act, the Paycheck Protection Program, and SBA's Economic Injury Disaster Loans were the bridge needed to maintain an employee base and cover ongoing expenses through the closure.

Governor DeSantis began the process of reopening Florida's businesses and a pathway to reopen Florida's tourism economy, including attractions, by an Executive Order on May 18, 2020. The Florida Attractions Association worked with our members and their respective county governments to define best practices in a tourist attraction environment to provide protection for guests and employees from viral transmission. The objective was clear and the goal unmistakable—reopening safe, smart and step-by-step.

As the industry began to reopen, there was initially a trepid response from travelers needing assurance that their safety was paramount to our industry. As the summer of 2020 progressed,

Florida experienced a staycation season as Floridians travelled to other Florida destinations, often within a day's drive of their homes. Outdoor facilities were particularly popular, as National Parks, State Parks and outdoor attractions, such as zoos and gardens, had the benefit of providing guests fresh air and sunshine.

Over the last year, the general pattern has developed, as the public's trust in travel returns, confidence in safety protocols proven, and the desire to get out and go inspired Americans to travel once again. Florida has seen an increasing return of the domestic traveler, and while it is not at pre-COVID levels, it is encouraging to see attractions, hotels, campgrounds, and restaurants begin to experience recovery. Our state's tourism marketing office, Visit Florida, reported a 14 percent decline in travel in Florida in the first quarter of 2021, compared to 2020.

What we need, number one, clear policy coordination between agencies such as the CDC, Department of Transportation, OSHA, and other public-facing agencies with timely guidance on defeating the pandemic. Recent changes in the CDC's guidance were a welcome development to our members. However, the swiftness of the changes left many businesses scrambling to interpret the new guidance and assess the impact on their businesses. Even today, guidance from the CDC, Department of Transportation and OSHA could be viewed as being conflicting.

Number two, Florida and much of the Nation is experiencing a labor shortage and it is acute in Florida's hospitality industry. We know that many of our members are experiencing this, in part, because of the continued payment of state unemployment insurance benefits and Federal unemployment relief programs. Governor DeSantis has directed the state to discontinue waiving the work search requirement at the end of this month. And Florida will stop—will step out of the Florida—of the Federal Pandemic Unemployment Compensation program at the end of next month.

Entry level labor shortages are not new. In 19—by 2029, only 28 percent of teens will participate in the U.S. labor force, down 43 percent from 1978. The shortage is driving up wages, supply and demand, business must adapt as they compete for talent. But one amusement park has discovered that even wages are not the answer, this year offering a 100 percent increase, from \$10 to \$20 per hour, and still having to reduce operating hours and close due to labor shortages.

And number three, as discussed in your last hearing, the cruise industry, an industry I have no direct, professional role in, is still waiting for clear guidance from the CDC. The cruise industry and the attraction industry are fierce competitors, but we need each other to achieve our individual and collective business objectives.

Addressing these issues, along with your support of Brand USA, will help us move our tourism economy forward, prepared for a post-pandemic success. Thank you for your leadership in supporting America's hospitality workers and small business. I look forward to working with you and answering your questions. Thank you.

[The prepared statement of Mr. Lupfer follows:]

PREPARED STATEMENT OF BILL LUPFER, PRESIDENT AND CEO,
FLORIDA ATTRACTIONS ASSOCIATION

Good afternoon Chairwoman Rosen, Ranking Member Scott, members of the Subcommittee. I thank you for your leadership in addressing the pandemic's devastating economic damage, specifically to our Nation's hardest hit sector, travel and tourism. I'm honored to participate in this hearing on Investing in America's Tourism and Hospitality Workforce and Small Businesses.

About the Florida Attractions Association

Founded in 1949, the Florida Attractions Association, or "the other FAA" is Florida's trade association representing the tourist attractions industry. Florida's heritage as a vacationland has evolved through the decades. As our state's natural wonders continue to attract visitors from around the world, our state's manmade attractions have evolved from kitschy roadside attractions to now include the world's most popular theme park destinations.

Today, the FAA is comprised of 250 member businesses. The state's largest attractions, Walt Disney World, Universal Orlando Resort, SeaWorld Parks and Merlin Entertainments are members; however, most of our members are small businesses. Only 10 percent of our members are publicly traded companies. Many of our members represent 3rd and 4th generation owner/operators of their family's attractions. Forty percent of our members have an annual paid attendance of under 100,000 guests.

The Florida Attractions Association links the passion and creativity of Florida's attractions industry. We provide leadership training and professional development, advocacy, networking and communication channels as we promote and protect the interests of the Florida Attractions industry and connect our Attraction members to each other and industry thought leaders.

Florida Attraction Association's Pandemic Response

Florida's non-essential businesses, including our attractions, closed around March 15, 2020. The uncertainty of the virus, its methods of transmission, and consequences to vulnerable populations were unknown. As we moved from "15 days to slow the spread" to 30 days to "flatten the curve" we collected the best information available to share with our members.

In April 2020, the Florida Attractions Association published for its members a *Guide for Reopening Florida Attractions*. Creating reopening protocols for our industry was a challenge. As most business types share similarities in their operation—hotels, restaurants, campground, retail stores, for example, each attraction is unique. Consider these types among our members—Adventure Parks, Agritourism, Airboat Ride, Alligator Farms, Amusement Parks, Aquariums, Archaeological Park, Boat Cruises, Canoes, Kayak, Cycling Rentals, Destination Resorts, Dinner Theaters, Drive-through Safaris/Animal Parks, Family Entertainment Centers, Farms, Gardens, Go-Karts, Karting, Historic Sites/Homes/Lighthouses, Iconic Wheel, Indoor Flying, Marine Parks, Off-road adventure courses, Open-air trains and trolleys, Science Centers, Space Center, Springs, Swamp Buggy Rides, Theme Parks, Trampoline Parks, Waterparks, Zip Lines, and Zoos.

In a tourism economy and an attraction environment, these protocols require unique approach to ensure the safety of our guests and employees.

During this time, the actions of Congress to provide support and relief to small businesses was a great help. The Paycheck Protection Programs and SBA's Economic Injury Disaster Loans were the bridge needed to maintain an employee base and cover ongoing expenses through the closure.

Governor DeSantis began the process of reopening Florida's businesses and a pathway to reopen Florida's tourism economy, including attractions, by an Executive Order on May 18, 2020.

The Florida Attractions Association worked with our members and their respective county governments to define best practices in a tourist attraction environment to provide protection for guests and employees from viral transmission. The objective was clear and the goal unmistakable—reopening safe, smart and step-by-step.

Reopening Florida Attractions

As the industry began to reopen, there was initially a tepid response as travelers needed assurance that their safety was paramount to our industry. As the summer of 2020 progressed, Florida experienced a "staycation" season as Floridians travelled to other Florida destinations, often within a day's drive from their homes.

Outdoor facilities were particularly popular, as National Parks, State Parks and outdoor attractions such as zoos and gardens had the benefit of providing guests fresh air and sunshine.

Over the last year, a general pattern has developed, as the public's trust in travel returns, confidence in safety protocols proven, and the desire to "get out and go" inspired Americans to travel once again. Florida has seen an increasing return of the domestic traveler, and while it's not at a pre-COVID levels, it is encouraging to see attractions, hotels, campgrounds and restaurants begin to experience recovery. Our state's tourism marketing office reported a 14 percent decline in travel to Florida in the first quarter of 2021 compared to 2020.

Ultimately, the full recovery will be realized with the return of two market segments. First, the international traveler. In your hearing last Tuesday, you heard expert testimony from three industry professionals. It was clear this subcommittee recognizes the unique characteristics of the international traveler. Emergency funding of Brand USA to stimulate international travel will reap broad benefits for America's economy. Second, the return of the business traveler. The Meetings and Convention industry has been severely impacted, but we are now seeing a slow return of that market segment.

What We Need

- Clear policy coordination between agencies such as the CDC, Department of Transportation, OSHA and other public-facing agencies with timely guidance on defeating the pandemic is needed. Recent changes in the CDC's guidance were a welcome development to our members. Those who have chosen to receive vaccines should have more freedom and flexibility. However, the swiftness of the changes left many businesses scrambling to interpret the new guidance and assess the impact on their businesses. Even today, guidance from the CDC, Department of Transportation and OSHA can be viewed as conflicting.
- Florida and much of the Nation is experiencing a labor shortage and it is acute in Florida's hospitality industry. There are many facets to this problem and I'm not an expert on the labor economy. We know that many of our members are experiencing this in part because of the continued payment of state unemployment insurance benefits and Federal unemployment relief programs (FPUC and American Rescue Plan). Though anecdotal, former employees are specifically stating this as a reason for not returning to work. Fortunately, Governor Ron DeSantis has directed the Florida Department of Economic Opportunity to discontinue waiving the work search and work registration requirements on May 29, 2021. Reigning in of the Federal program with work search requirements will assist us with our collective efforts to get America back to work.
- As discussed in your last hearing, the cruise industry—an industry I have no direct, professional role in—is still waiting for clear guidance from the CDC. The cruise industry and the attraction industry are fierce competitors—attractions desiring to keep travel dollars in Florida, the cruising industry sending travel dollars to other cruise destinations, but we need each other to achieve our individual and collective business objectives.

Addressing these issues, along with your support of Brand USA will help us move our tourism economy forward, prepared for post-pandemic success. Thank you for your leadership in supporting America's hospitality workforce and small businesses. I am happy to answer your questions.

Senator ROSEN. Thank you, Mr. Lupfer. Testifying next is Shaundell Newsome, Chairman of the Las Vegas Urban Chamber of Commerce. Mr. Newsome is a 10-year veteran of the U.S. Air Force and a small business owner for the past 15 years. Through both his personal work and the Urban Chamber of Commerce, Mr. Newsome connects small business owners with the resources and access they need to both regional and global markets.

Mr. Newsome, you are recognized for your opening remarks.

STATEMENT OF SHAUNDELL NEWSOME, CHAIR, URBAN CHAMBER OF COMMERCE LAS VEGAS

Mr. NEWSOME. Thank you, Madame Chair and members of the Senate subcommittee, good afternoon. Again, my name is Shaundell Newsome, a Nevada small business owner and founder of Sumnu Marketing, a firm in partnership with my wife Arlene, and my daughter Tiara. In 2015, we were recognized as SBA Ne-

vada Family Owned Business of the Year. Currently, I chair the Las Vegas Urban Chamber of Commerce, Co-Chair Small Business for America's Future, serve as a Trustee for the Las Vegas Chamber of Commerce, and Co-Chair for the Henderson Chamber's Issues Committee. So, I am extremely engaged and involved in my small and minority business community.

Today, I am here to speak directly to Investing in America's Tourism and Hospitality Workforce and Small Business. And I want to thank Senator Rosen, a true small business champion, for this opportunity to address you.

After serving a decade in the military, I worked for a gaming and hospitality family owned small business, Station Casinos, in Nevada as a Marketing Director. This is where I connected the dots between workforce and small businesses. Not only did we hire thousands of employees with growth, but our local small businesses also benefited from our needs to procure products and services. We purchased balloons, t-shirts, signage, and many products and services from local small business vendors.

The Las Vegas Strip casinos produce many jobs and procurement opportunities for small businesses. But I know that many of you outside of Nevada may not realize that there are small casino operators like Henderson's Rainbow and Emerald Island, with my friend Tim Brooks as the owner. And the Poker Palace, owned by Mickey and Laura Coleman in North Las Vegas. They have served the community since even before I arrived in 1987 to Nellis Air Force Base. Yes, I know these small business owners personally. Despite being the Entertainment Capitol of the World and a global destination, Las Vegas and in particular Southern Nevada is a small tight community.

When one business in a tight community feels a burden, we all feel a burden. The impact of a decrease in business and leisure travel is felt from our major corporations to the smallest Main Street companies. Contracts for my company and many others were either delayed or cancelled immediately causing instant closures and much uncertainty. Small business owners had to reach into our bag of innovative tricks to survive.

School and daycare closures put our employees in a bad position. Once we were clear to open again with social distancing, our firm decided to create office space for children to attend school remotely, giving their parents comfort and peace of mind. The new normal meant that we had to be flexible with team members working remotely, with alternating days in the office to keep everyone safe. We followed the science and survived with no major concerns.

Investing in America's Tourism and Hospitality Workforce and Small Business is a safe bet, pun intended, for this country. I implore this committee to double down on the recent successful American Rescue Plan, by investing in America's Tourism and Hospitality Workforce and Small Businesses, to rebuild our economy. In addition, we should all push all of our chips to the middle of the table on the American Jobs Plan to rebuild our infrastructure and create necessary job opportunities for individuals and contracts for small businesses.

Thank you very much for realizing the importance of the tourism, travel, and hospitality industry, and small businesses. We are all winners when we invest wisely this way. Thank you very much.
[The prepared statement of Mr. Newsome follows:]

PREPARED STATEMENT OF SHAUNDELL NEWSOME, FOUNDER/VISIONARY,
SUMNU MARKETING

Madame Chair and members of the senate subcommittee,

Good evening. My name is Shaundell Newsome, a Nevada small business owner and founder of Sumnu Marketing, a firm in partnership with my wife Arlene and my daughter Tiara. In 2015 we were recognized as SBA Nevada Family-Owned Business of the Year.

Currently, I chair the Urban Chamber of Commerce Las Vegas Board of Directors, Co-Chair Small Business for America's Future, serve as a Trustee for the Las Vegas Chamber of Commerce and Co-Chair for the Henderson Chamber's Issues Committee. So, I am extremely engaged and involved in my small and minority business community.

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After serving a decade in the military, I worked for a gaming and hospitality family-owned small business, Station Casinos in Nevada as a Marketing Director. This is where I connected the dots between workforce and small businesses. Not only did we hire thousands of employees with growth, but our local small businesses also benefitted from our needs to procure products and services. We purchased balloons, t-shirts, signage and many products and services from local small business vendors. The Las Vegas Strip casinos produce many jobs and procurement opportunities for small companies. But I know that many of you outside of Nevada may not realize that there are small casino operators like Henderson's Rainbow and Emerald Island with my friend Tim Brooks as an owner. And the Poker Palace owned by Mickey and Laura Coleman in North Las Vegas has served the community since even before I arrived in 1987 to Nellis AFB. Yes. I know these small business owners personally. Despite being the Entertainment Capitol of the World and a global destination, Las Vegas and in particular Southern Nevada is a small tight community.

When one business owner in a tight community feels a burden, we all feel a burden. The impact of a decrease in business and leisure travel is felt from our major corporations to the smallest main street companies. Contracts for my company and many others were either delayed or canceled immediately causing instant closures and uncertainty. Small business owners had to reach into our bag of innovative tricks to survive. School and daycare closures put our employees in a bad position. Once we were clear to open again with social distancing our firm decided to create office space for children to attend school remotely, giving their parents comfort and peace of mind. The new normal meant that we had to be flexible with team members working remotely with alternating days in the office to keep everyone safe. We followed the science and survived with no major concerns.

Investing in America's Tourism and Hospitality Workforce and Small Business is a safe BET, pun intended, for this country. I implore this committee to DOUBLE DOWN on the recent successful American Rescue Plan by investing in America's Tourism and Hospitality Workforce and Small Businesses to rebuild our economy. In addition, we should PUSH ALL OF OUR CHIPS TO MIDDLE OF THE TABLE on the American Jobs Plan to rebuild our infrastructure and create necessary job opportunities for individuals and contracts for small businesses.

Thank you very much for realizing the importance of the tourism, travel and hospitality industry and small businesses. We are all WINNERS when we invest wisely this way.

Senator ROSEN. Well, thank you, Mr. Newsome for your remarks on tourism and small business, the nexus between the two.

So, Senator Scott, I am going to turn it over to you to introduce our fourth and final witness, please.

Senator SCOTT. Thank you, Chair Rosen. Drew Daly, Senior Vice President of Dream Vacations World Travel Holdings is here today to represent—and represents World Travel Holdings. He began

working for the company as a travel agent. Now, he runs their Dream Vacations' CruiseOne and Cruise, Inc. divisions. He also serves on the Starboard, which is the steering committee for the Cruise Lines International Association. Welcome, Drew.

STATEMENT OF DREW DALY, SENIOR VICE PRESIDENT AND GENERAL MANAGER, CRUISEONE, DREAM VACATIONS AND CRUISES INC.

Mr. DALY. Thank you, Senator Scott. Chairwoman Rosen, Ranking Member Scott, and members of the Subcommittee, thank you for your efforts to bring attention to the devastating economic impact suffered by the countless travel and tourism industry workers and small businesses across the U.S. due to the pandemic. It is a true honor and privilege to represent World Travel Holdings, Dream Vacations Travel Advisors, and the broader travel advisor community across the United States.

Travel agents do in fact exist, and over the years, they have evolved into travel advisors. Travel advisors play a critical role in working with clients to plan travel for business and leisure purposes. Today, the entire travel industry comprises tens of thousands of travel advisors who are running their own businesses. The majority of them work from home and are, literally, building their business in their neighborhoods, backyards, and in their communities.

At Dream Vacations, we support thousands of small business owners around the country, who took a chance and had a dream to start a business and create something that was their own. Some have been doing it for more than 30 years and, believe it or not, quite a few started their business in the midst of the pandemic.

All travel advisors earn a living based on what they sell their customers, and they get paid when their customers actually travel. One tourism sector that is especially important to travel advisors is the cruise industry. Seventy-eight percent of all cruise vacations are booked by a travel advisor in the industry and cruise accounts for a large portion of their business. More than 70 percent of the cruise bookings made today are set to depart in 2022 or later, which means these businesses will not get paid, largely, for another year.

Despite industry leading protocols and proving sailings in other regions of the world, it has been almost 16 months since cruise ships departed from U.S. ports, ultimately impacting the livelihood of tens of thousands small business owners during that time. Cruise is the only travel and tourism sector in the United States still shut down.

Thank you so much for your support in the passage, last week, of the Alaska Tourism Restoration Act. And we were thrilled to see yesterday's signing of the bill by President Biden. Alaska is a critical cruise market, not just in terms of cruise bookings, but also, the jobs supported by the cruise passengers that visit the state.

My written testimony outlines the devastating impact to the travel industry, but here are a few statistics, specifically. The reduction in travel caused by COVID-19 resulted in a \$500 billion loss in travel spending across the United States in 2020, with 5.6 million travel-supported jobs lost, accounting for 65 percent of all

jobs lost in the country. For the cruise industry, it represents \$39 billion in total economic losses, including the loss of 300,000 jobs along with \$16.5 billion in wages.

We have seen a number of our travel advisors shift gears and do their best to make a living during this downturn. Specifically in Florida, one of our top franchisees, who has been in business for 30 years, had to go back and become a school nurse. And another went and got a job at a local grocery store. In Nevada, one resorted to becoming an Uber driver, and to be delivering Uber Eats, just to put food on the table. In Washington State, we have several franchises partner with local businesses in their communities, to do virtual wine tasting events, just so they can maintain relevance in their customers' mindset, while they could not travel.

Congress can help the travel and tourism sector recover by enacting policies to spur travel demand and support workers who are not yet fully participating in our country's economic recovery. We are so grateful for the strong economic support provided by the CARES Act, and subsequent relief packages approved by Congress. Relief packages like the Paycheck Protection Program provided much needed lifelines to many of these small businesses and workers, in the travel and tourism sector.

Every week, my team and I have individual conversations with small business owners and the stories that we hear are truly heart-breaking, as families' livelihoods are on the line. Because travel agents do not earn an income until their customer travels, we anticipate that many travel advisors could suffer financial hardship for the next year, as they continue to book in the future. With the Paycheck Protection Program set to expire in May, I ask that you consider extending targeted relief programs for sectors that will take longer to recover.

Finally, the return of cruising out of the U.S. is a vital step. The biggest hurdle now, for the continued success of our travel advisors, is for cruising and all forms of travel to come back full throttle.

Thank you again for the opportunity to testify today on behalf of the entire travel advisor community. Your efforts to support the rebuild and recovery for travel and tourism and the many small businesses that are critical to the sector, are greatly appreciated. I promise, travel advisors are certainly going to play a key role in helping get Americans traveling again and boosting economic recovery across the entire country. We need to ensure that these businesses and their workers can survive the remaining challenges presented by the pandemic overall.

Thank you and I look forward to hearing your questions.

[The prepared statement of Mr. Daly follows:]

PREPARED STATEMENT OF DREW DALY, SENIOR VICE PRESIDENT AND GENERAL
MANAGER OF CRUISEONE, DREAM VACATIONS AND CRUISES INC.

Chairwoman Rosen, Ranking Member Scott, and Members of the Subcommittee, thank you for holding this important hearing, and for your efforts to bring attention to the devastating economic impact suffered by the countless travel and tourism industry workers and small businesses across the United States due to the COVID-19 pandemic.

My name is Drew Daly, and I am the Senior Vice President and General Manager of CruiseOne, Dream Vacations and Cruises Inc. (hereinafter collectively referred to as "Dream Vacations"), which is part of World Travel Holdings, the Nation's largest cruise agency and award-winning leisure travel company. Dream Vacations is a low-

cost, low-investment homebased travel agency franchise with several thousand franchise owners nationwide. We provide our network of travel advisors with the resources they need to own and operate a small business and make it successful in the long term.

As we build our network across the United States, we strive to promote diversity and support veterans. Recognizing that the skills veterans learn in the military translate well into business ownership, Dream Vacations is committed to recruiting military veterans and their spouses. We are the only travel advisor franchise to have a “5-Star Ranking” as a member of the International Franchise Association’s VetFran initiative. More than 35 percent of our travel advisor network consists of military veterans or active-duty spouses. In addition, approximately 70 percent of our travel advisor franchises are women-owned. Running a Dream Vacations travel advisor franchise is a popular career path for “mompreneurs” and stay-at-home parents because they have the flexibility to set their own hours to revolve around family schedules.

Travel Advisors Make Travel Happen

On behalf of Dream Vacations’ travel advisors, World Travel Holdings, and the broader travel advisor community across the United States, I am pleased to participate in today’s hearing. Travel agents do in fact exist, and over the years, we have evolved into travel advisors. Travel advisors play a critical role in working with clients to plan travel for business and leisure purposes, delivering exceptional customer service.

Travel advisors earn a living based on what they sell to their customers and get paid on the actual departure. We book vacation packages, hotels, car rentals, tours and excursions, airline tickets, and many other components of the travel journey. We truly are focused on ensuring that consumers and travelers maximize their investment and receive the best experience that suits their needs. One travel and tourism sector that is especially important to Dream Vacations, World Travel Holdings, and our travel advisors is cruise. Seventy-eight percent of all cruises are booked by a travel advisor, and largely 75 percent of the business that comes through the doors of these small business owners is from cruise.

Today, more than 70 percent of our cruise bookings are for 2022 departures. Despite industry leading protocols and proven sailings in other regions of the world, it has been almost 16 months since cruise ships departed from U.S. ports. Although we do see hope for a restart of cruise on the horizon, tens of thousands of small business owners in the cruise community have been directly impacted by the suspension of cruise operations and without revenue for 16 months. The biggest hurdle now for the continued success of our travel advisors is for cruising and all forms of travel to come back full throttle.

We were pleased to see passage last week of the Alaska Tourism Restoration Act introduced by Senator Lisa Murkowski (R-AK), Senator Dan Sullivan (R-AK), and Representative Don Young (R-AK). This removes a barrier to the restart of cruises in Alaska by temporarily waiving the requirement of the Passenger Vessel Services Act for Alaska cruises departing from Washington State to stop in Canada for the duration of Canada’s ban on cruise ships in its waters. Alaska is a critical cruise market, not just in terms of cruise bookings, but also the jobs supported by the cruise passengers that visit the state. We greatly appreciate the work of the Senate Commerce Committee and Alaska’s Congressional Delegation in supporting the resumption of cruise operations, and our hope is that cruises will be able to sail from U.S. ports this July.

Devastating Impacts of COVID-19

Travel advisors play a critical role in advocating on behalf of their customers. Like an attorney or financial advisor, they have a fiduciary duty to do what is best for their clients, while ensuring they are protected when traveling should any challenges arise along their journeys. As you can imagine, the COVID-19 pandemic certainly highlighted this important work. Travel advisors worked around the clock to make alternative arrangements to bring stranded Americans home from far away destinations when international borders began to close. While travel advisors remained busy at the beginning of the COVID-19 pandemic helping clients adjust travel plans, new business quickly disappeared as Americans and the rest of world abruptly stopped traveling.

The resulting devastation felt across the entire travel and tourism industry was unimaginable. According to the U.S. Travel Association, the reduction in travel caused by COVID-19 resulted in a \$500 billion loss in travel spending across the United States in 2020, with 5.6 million travel-supported jobs lost, accounting for 65

percent of all jobs lost in the country.¹ Specific travel sectors, such as cruise, have been hit particularly hard. According to the Cruise Lines International Association, the cruise industry in the United States has suffered \$39 billion in total economic losses, including the loss or significant reduction of work of more than 300,000 jobs along with \$16.5 billion in wages, since voluntarily suspending operations in March 2020. Cruise is the only travel and tourism sector in the United States still shut down, although discussions with the U.S. Centers for Disease Control and Prevention toward the restart of cruises from U.S. ports remain underway.

We have seen a number of our travel advisors shift gears and do their best to make a living during this downturn. In Florida, several locations unfortunately closed their doors and others who have resorted to other sources of income. For example, one of our top producing franchisees nationwide and a Florida resident had to go back to being a school nurse to earn an income, while another franchisee started working in a local grocery store. In Nevada, we saw a franchisee become an Uber driver to provide for some money coming in so they can put food on the table for their families. An agency in Washington state started hosting virtual wine tasting events and partnering with other local businesses so they can provide experiences to their customers and maintain relevance.

While we are optimistic about the prospect of a return to normalcy as the public health environment in the United States continues to improve with widespread vaccination and with many Americans now ready to make plans for summer vacations, the reality is that the recovery will not happen overnight. The U.S. Travel Association expects that it will take the travel and tourism sector five years to fully recover from the losses experienced during the COVID-19 pandemic. My sincere hope is that the recovery will not take that long.

Congress Can Help Recover Travel Demand

Congress can help the travel and tourism sector recover by enacting policies to spur travel demand and support workers who are not yet fully participating in our country's economic recovery. While many Americans are now ready to travel again, others may still be hesitant or may be recovering from the economic toll of the pandemic. The economic impact has been unequal across sectors and regions in our country. Many Americans that would welcome the opportunity to travel simply may be unable to because of the financial hit they have suffered over the last year. Providing temporary targeted relief that encourages Americans to travel could boost demand, allow travel providers to hire back workers, and speed up the recovery of our sector.

Many workers and businesses in the travel and tourism community, including our travel advisors, are grateful for the strong economic support provided by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and subsequent relief packages approved by Congress. Relief programs like the U.S. Small Business Administration's Paycheck Protection Program (PPP) provided much needed lifelines to many small businesses and workers in the travel and tourism sector that suffered catastrophic business losses because of the pandemic. However, many others were unable to qualify for the programs. Because travel advisors make money on departures, we have many new small business owners who have made sales but have not yet earned anything. Since they had no income at the time, they did not qualify for CARES Act relief funding.

Every week my team has individual conversations with small business owners about staying motivated and focused on the future as we know it is going to be brighter. However, the stories that we hear are truly heartbreaking as families' livelihoods are on the line. Because travel agents do not earn an income until travelers travel, we anticipate that many travel advisors could suffer financial hardship for the next year as they continue booking future travel. Given these challenges, many travel advisors still need help. With the PPP set to expire in May, I ask that you consider extending targeted relief programs for sectors that will take longer to recover.

Closing Summary

Thank you again for the opportunity to testify before the Subcommittee today. On behalf of the travel advisor community, your efforts to support the recovery travel and tourism and the many small businesses that are critical to the sector are greatly appreciated. Travel advisors are certainly going to play a key role in helping get Americans traveling again, boosting economic recovery across the United States. We

¹ https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_Industry-Table.pdf

need to ensure these businesses and their workers can survive the remaining challenges presented by the COVID-19 pandemic. I look forward to your questions.

Senator ROSEN. Well, thank you, Mr. Daly, and again, I want to thank all of our witnesses for joining today and for their thoughtful opening statements.

So, I am going to start it off with a question to Mr. Newsome about small businesses, and then, move on to Mr. Taylor to talk a little bit about our hospitality work force.

So, over the past year, Nevada's small businesses, particularly the businesses who depend on our tourism and hospitality industry for their customers, of course, we know they struggle to keep their doors open, due to COVID-19. In response, Congress passed numerous small business support programs, Paycheck Protection Program, the Restaurant Revitalization Fund. Those help small businesses stay afloat and keep their workers on the payroll. Unfortunately, PPP ran out of funds on May 4th and just yesterday, the Restaurant Revitalization Fund stopped taking new applications.

With hospitality and tourism being slower to recover than other industries, additional limited, targeted relief may be needed until business and leisure travelers, in both the U.S. and abroad, have the confidence to travel once again.

So, Mr. Newsome, as the tourism and hospitality industry slowly recovers from the economic impacts of this public health crisis, what additional support do you think Congress could provide to our small businesses, and what investments, do you think, we might make broadly going forward? We want a healthy recovery, and we want a robust one and we want to support everything that you are working on.

Mr. NEWSOME. Well, thank you very much, Senator Rosen. One of the things that I think is real important is continuing to provide access to capital, to small and minority businesses. As we know, systemically, that has been a challenge, especially for most of our minority owned firms. We found that, even prior to the pandemic, it was very, very difficult to get access to capital. Opening up CDFIs and opening up alternative lending resources, have been very beneficial to small businesses.

The other thing is broadband. As you know, in Nevada, we have a lot of rural businesses. And really, you know, they have a challenge with some of these Zoom calls and different opportunities to do business online. So, I think that is extremely important. And one of the things—the other thing that I mentioned was childcare. I know that a lot of my—you know, my employees and people who are members of the Chamber, they were not only challenged with going back to work—a lot of the employees were not just challenged with any funding from a package or from unemployment, but a lot of them were struggling with childcare.

Senator ROSEN. Right.

Mr. NEWSOME. And what do they do with their children to keep them safe. So, I would say that those are—those are one of the crucial, but for—in particular, for small business owners, continue to fund the small business development centers. Continue to fund the resources that help small businesses to—small business owners, to become better operators of their business.

I was fortunate to spend time in the military. I was fortunate and blessed to work in gaming and hospitality. And I learned a lot from those industries. Not everybody has that opportunity. So, I think that is a—that is a great opportunity there.

And then, the last thing that I would say is real important is, the healthcare cost. It is really important that we help small businesses have an opportunity to provide affordable healthcare for their employees, as well as, you know, try to defray the cost. And make sure that we are not spending all of our money on healthcare, where we should be providing most of the money to our employees and helping to provide better services to our clients and our customers.

So, I think what is important is, do not forget small businesses. The small businesses are the backbone of this country. We bring people back to work faster. We do a lot, so we do appreciate what has happened. But there is a lot more to be done. Thank you.

Senator ROSEN. Well, that is a good segue, thank you, to Mr. Taylor because, earlier this year, we—American Rescue Plan covered—Senator Cortez Masto and I worked diligently to be sure that 100 percent of COBRA insurance was covered during the pandemic. People lost their job, through no fault of their own, and we really secured that. We know how important it was to our Culinary Workers' Union, to all the union members, and just workers across this country.

So, just a few seconds I have left. We will go into a second round, of course. Can you talk about the impact that fully subsidized COBRA health benefits had on our members in the hospitality and tourism industry?

Mr. TAYLOR. Yes, Senator Rosen. I think that that is one of the keystones of what has helped people survive. The 100 percent COBRA subsidy is going to allow members to get back on health insurance. In our industry—in the—basically, a lot in the hospitality industry, only 23 percent of employers continue to provide healthcare benefits. So, in the middle of a healthcare pandemic, we had people losing healthcare.

So, this has been a huge plus under the American Rescue Plan. We are enrolling people now. It is for 6 months. And, bluntly, if I was looking ahead about what Congress can do, is even if people are returning to work, they often have to requalify for healthcare. Continuing the (inaudible) helps both small and large business, right now, because I (inaudible) right when we were shut down, right in the middle of a healthcare pandemic, we had people losing healthcare. That seems counterintuitive to just basic reason.

I cannot think of anything more impactful that came under the American Rescue Plan, than the 100 percent COBRA subsidy.

Senator ROSEN. Well, thank you, Mr. Taylor. Senator Cortez Masto and I were glad to work on that. So, Senator Scott, you are recognized.

Senator SCOTT. Great. Thank you, Chair Rosen. So, Mr. Lupfer, can you talk about—we have heard, I think, from Mr. Taylor and Mr. Newsome, some of the challenges that they have had with labor shortages. Can you talk about some of the issues that your industry has had with labor shortages?

Mr. LUPFER. Yes, thank you, Senator. Labor shortages is not an issue that is new to us in Florida. The tourism industry has grown tremendously, as population has grown. But a lot of the population growth we have seen in Florida is retirees. I think it is interesting, Senator, that when you were Governor, you doubled—you increased tourism promotion funding by 50 percent, and we ended up netting a 50 percent increase in visitation to the State of Florida. So, certainly, the economics continuing to drive visitors to the Sunshine State, has put even more strain on the labor market.

It also has affected wages. You know, the minimum wage is not something that is even talked about anymore. Florida's employers are paying significantly more than minimum wage. One of the things that is particularly interesting is the fact that teens are less and less inclined to participate in summer jobs. And you know, traditionally in America, summertime was the time when you go back, and you get the job and earn a few bucks and learn some skills and accept some responsibility. But there is some interesting statistics from the Bureau of Labor Statistics that demonstrate that less and less teens are participating in the labor force.

Another thing that is affecting us right now is the inability for the Department of State to provide visas for the summer workforce program. And typically, there is about 100,000 international students that come into the United States to participate in learning more about America, our economy and our culture, while working during the summertime. And unfortunately, this year that number is only about 5 percent of that, or about 5,000.

So, there are a lot of things contributing to that. It is not necessarily a new issue. It is not necessarily an issue with COVID and with the pandemic. But it is—it is really a seat change in America and the population and what types of futures people are looking for. I think our industry, the tourism and travel industry, needs to do a better job of demonstrating and telling our story and why, particularly entry-level jobs in tourism and travel are so important. And in fact, statistics from U.S. Travel Association demonstrate that people whose first job is in tourism will, by age 50, end up earning more per year than those who started their careers in healthcare or manufacturing or other industries in Florida. So, it is a great entry-level opportunity. And, I think, the best opportunity we have is to get more young people excited and interested in the futures in the hospitality industry.

Senator SCOTT. Thank you, Mr. Lupfer. Mr. Daly, can you talk about how many jobs you estimate rely on the cruising industry, directly and indirectly, in the United States and in Florida, and what your estimated timeline is for all those jobs to return? And do you believe they will return?

Mr. DALY. So, thank you for the question, great question. So, yes, I do think, as we are seeing—we have signs coming up, right now, of the rebuild and recovery, of course, I mentioned with the recent announcements toward Alaska. About 300,000 jobs were impacted in 2020 from the industry, due to the pandemic.

I do believe, based on what we are seeing—you know, obviously, the goal is a return to normal and what that looks like. I can say that, in 2022, then—and in the future, the demand for cruising and

the response to it from consumers for that—and from the local advisors in their communities, it has been—it has never been greater.

So, it is going to be a thunderous return, and ultimately, with that will come back the jobs and of course—and it impacts more than just the jobs within the cruise industry, per se. But it is the ancillary industries, as well, that affect hospitality and all the local areas and cities where cruises sail from, around the United States and as well, into other markets, too.

Senator SCOTT. Thanks, Mr. Daly. Do you believe that the—both customers, passengers, and workers can come back to the cruise industry and operate safely?

Mr. DALY. Without a doubt. I mean, with the safety and—safety and—safety—first, health and safety protocols have never been more important to the cruise industry. They always have been. And I think the enhancements that they have had over the past 16 months, understanding the science, what we have been seeing in our own backyards, I mean, now—people used to show pictures of, when someone is traveling, of eating a meal. Now they are showing pictures of someone cleaning a seat at an airport or in a hotel.

And ultimately, I think, what we have seen and what we will see, is the safety protocols, the healthy sail panels of the cruise lines, partnered with the Cruise Line International Association, to ensure they were working with the experts. Working with science, finding the right solutions so they can safely return to service with social distancing protocols and, of course, with the recent vaccinations and the rollout of the vaccinations, successfully around the United States. That is going to be a significant factor in the safe return to cruising.

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

Senator ROSEN. Well, thank you, Mr. Daly. Senator Klobuchar is here. We are going to give her a moment to get into her seat, and then, she will ask the next question. We have—she has been kind enough to join us here in person, even though so much of our hearings have been remote because of COVID. So, we are happy to see her here. Senator Klobuchar.

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

Senator KLOBUCHAR. Well, thank you very much, Chairwoman, and for your great work in Nevada and across the country, when it comes to tourism, as well as thank you so much, Senator Scott. I know that last week you had a hearing on international tourism and really, really important topics.

Senator Blunt and I lead the Brand USA reauthorization and I guess I would start with that, with you, Mr. Lupfer. In your testimony, you emphasized the importance of that, when it comes to international travel. And one recent report found that, if international travel does not begin to reopen soon, the U.S. is projected to lose \$175 billion in spending by the end of 2021.

Can you talk about the importance of the role of Brand USA in the past and what we need to do going forward?

Mr. LUPFER. Thank you, Senator Klobuchar. Yes, you know, if you think about tourism marketing, there are, kind of, three buckets. There is your local level, which is the county, your State level,

and the national level. And for a long time, the United States was without a travel and tourism marketing office. And at this point, our attraction members, even the smallest members, are able to participate in international marketing because the leveraging that is permitted by working with your county, who is then working with your State office, then working with your—with our national office at Brand USA, to take those dollars, collectively, and to spread the good news of the destinations that America has to offer.

The United States is an incredible country. And our history and our culture and our natural resources are not like anything else in the world, even though we are a relatively small country. And I am amazed at the international travelers we have at Florida, and what interests them and what excites them, are things that locals, kind of, take for granted. You know, show them an alligator and their day is made. Show me an alligator and it is roadkill.

So, what attracts internationals is so different. And what Chris Thompson and his team at Brand USA are able to offer is an incredible opportunity for all members of the United States tourism and travel community to participate in sharing the story of America with people around the world.

Senator KLOBUCHAR. Thank you. Well, thank you, yes. We may not have alligators in Minnesota. We do have walleye.

With that, I am going to turn it over to my good friend, Mr. Taylor—or as I know him, D. How are you, Mr. Taylor?

Mr. TAYLOR. Senator, thank you.

Senator KLOBUCHAR. OK, good. I wanted to ask you about business travel because the hotel industry is expected to be down 500,000 jobs by the end of 2021, partly due to predicted permanent changes in business travel. So, even as we get out of this pandemic, there is going to be this even longer transition when it comes to business travel. Could you talk about that problem? And I think one report found that half of U.S. hotel rooms are projected to remain empty in 2021. That is about 180,000 jobs. What more should we do, when it comes to business travel and resolving this problem?

Mr. TAYLOR. I appreciate the question. I think a few things. One, I think tax incentives for conventions and/or business travels should be temporarily looked at because in the kind of big hotels in the cities, that—they rely heavily on business travel. And without that, I think that the—those job protections are rosy, compared to bleak.

Second is, we are worried about a jobless recovery, in certain cases with the hotel industry, because they have made it very clear, on the earnings calls, etc., about not doing certain things that we have always assumed staying in a hotel, like, having your room cleaned by a housekeeper, being part of the thing that is enjoyable and actually, charging for that. So, that is an issue.

And a final thing is this, I think, without any question, if you look at almost every major metropolitan area, the first, second, third largest industry is the tourism industry. I think we have to figure out how we view those jobs as just as important as manufacturing jobs. Just as important as retail jobs. No one, very often, talks about hospitality jobs or tourism jobs. It is easy to do that

in Florida or Nevada. But even in, say, Minneapolis, St. Paul, tourism is a huge part of that downtown area, why people come to, etc.

So, I think we have to change our dialogue on that, and we have to do promotions like that, and incentives like that, like we do in other industries.

Senator KLOBUCHAR. Very good. Mr. Newsome, you want to add anything to that?

Mr. NEWSOME. Thank you—thank you, Senator. You know, I think that D. is right on point when it comes to how we view things. And one of the things that I think is real important, is the unprecedented partnerships that we have created through these tough times. I think that, you know, they say, you know, adversity creates strange bedfellows. But I think, in this case, strange bedfellows means that all of the organizations come together and work together to help with tourism and help with—and thinking through things in a whole different way.

I think that is the beauty of entrepreneurship. That is the beauty of small business, is that we think outside of a box. And in some cases, we do not have a box because we are focused on trying to solve a problem. So, I think that D. is right on point with his comments.

Senator KLOBUCHAR. Very good. Thank you very much, appreciate it.

Senator ROSEN. Thank you, Senator Klobuchar. Now joining us via WebEx, Senator Blackburn.

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

Senator BLACKBURN. Thank you so much, Madam Chairman, and thank you for continuing to work on this.

When you talk about tourism, of course, Memphis, Nashville, East Tennessee with the Great Smoky Mountains, which is the most visited park in our Federal Park system, we have been really hit by this. And as I talk to leaders in the industry, whether it is the tour industry, whether it is the motor coach industry, whether it is, at some of the small businesses in Gatlinburg or the support crew for concerts, and what I am hearing is labor shortage. And what I am hearing is the increase in Federal unemployment benefits is having a significant adverse impact on our labor pool. And it is why our Governor, in Tennessee, is ending the end of next month—ending the plus up in unemployment.

So, Mr. Lupfer—am I saying your name right, first?

Mr. LUPFER. Yes, ma'am, you are.

Senator BLACKBURN. OK. Talk to me a little bit—I know Miami, Orlando, they are very similar in that, tourists make up for the way Nashville and the Smoky Mountains area is. Talk to me about how, as the live event industry tries to recover, how are these cities, that are event centric, like Orlando, like Nashville, going to be able to handle these labor pressures? And I appreciate that you mentioned the summer worker program that Department of State has had. That has impacted us, also. So, give me just a minute on that issue.

Mr. LUPFER. Yes, sure, thank you very much for the question. Yes, the—the event industry, meetings and conventions, is—prob-

ably one of the two weak links for our recovery in Florida is the meetings and convention business and the second would be international travel. And the fact that Florida was only down 14 percent in the first quarter over last year, indicates that we have really had a strong domestic recovery already.

But the labor shortage is a real problem. The Federal program in Florida has also been eliminated at the end of next month. That will help. But the labor shortage is something that predates the pandemic and there is—I think one of the messages is, there are great career opportunities, and we need to do a better job working with colleges and universities, and high schools, in careers—career tracks in the hospitality and tourism industry. It is a great industry. It is an entrepreneurial industry. It is an industry where you gain great responsibility, and it is—it is an area where we need to do a better job bringing more people in to want to be a part of our industry.

Senator BLACKBURN. Well, in last week's hearing, I mentioned that CDC, DHS, DOT need to come together on guidance to open up international travel. I know Mr. Daly would like to see that happen. And I appreciated, in your comments, you said that guidance from CDC, DOT, and OSHA would be—can be viewed as conflicting. I—talk a little bit about why it is imperative that these Federal agencies get on the same—same page, so we can get this travel opened up. You know, we have CMA week, that usually takes place that first week of June, there in Nashville. And it is a big international destination.

Mr. LUPFER. Thank you, Senator. Yes, the specific conflicts I was speaking to were protocols dealing with the virus. And the CDC comes out periodically and updates this chart and it is really what the news media uses to communicate where we are and what is safe and what is not safe, and levels of safety. And the inconsistency between the messaging from the CDC and what the Department of Transportation says and, finally, how OSHA, apparently, is chasing what the CDC is doing, trying to keep up but unable to—and on their website, basically, they just punt and say, do not look here, look there. But these Federal agencies, they need to be in one accord. And if we are going to communicate how to stay safe, let us all be on the same page.

Senator BLACKBURN. I could not agree more. Mr. Newsome, appreciated your testimony about small businesses that contract to the hotels because, in Nashville, we have a lot of people that provide swag for concerts. And some of them will tell you the concert business is 50, 60 percent of their business for the year. So, when that shut down, they lost most of their revenues. Is that what you are seeing in Nevada?

Mr. NEWSOME. Yes, absolutely. Thank you, Senator, for that question. You know, one of the things that happens is we forget about the hairstylists. We forget about the people who are the wardrobe specialists. We forget about some of the small businesses that provide microphones, and different things like that. Everybody is impacted, from top to bottom, when the industry shuts down. And when entertainment goes away—and I am happy to say that this week we were talking about entertainment coming—live entertainment coming back to Las Vegas, because now that just creates

so many opportunities and so many jobs. So, yes, it absolutely did impact a lot of jobs and a lot of small businesses.

Senator BLACKBURN. Yes, I think that those guys that are the grips and the gaffers and the stylists and they are hauling that equipment, they are that entire ecosystem of the live event industry. They do the tee shirts, they do the hats, and they man the booths. And I am with you. Let us get this money back to those small businesses and let us help them get back on their feet. We appreciate it.

Thank you, Madam Chairman.

Senator ROSEN. Well, thank you, Senator Blackburn. And I would like to open it to another round of questioning for us, from Senator Scott.

Senator SCOTT. Thank you, Chair Rosen. So, Mr. Taylor, can you talk about how you—for the individuals that have been able to go back, how have you been able to help your employers create a safe environment—work environment? And I am sure it is different—they are all different, but I am sure it had been difficult. How have you been able to do that?

Mr. TAYLOR. Yes—wait a minute, I am muted. OK. Thank you, Senator Scott. The nuance of health and safety, I did not meet a company in our industry that did not have huge protocol on health and safety about people going back to work. Obviously, as everybody knows, when the rubber meets the road, it is a little bit different, and I think it varied. I think certain companies took it quite seriously.

And because, as I said, and I am sure you understand, the quickest way to get people back into our industry—to come back is to feel safe. And what we found—for example, I know the work I did in Las Vegas around this issue is, we had to explain to everybody, you cannot just be safe in one casino or one hotel. The virus (inaudible). You cannot just look at the (inaudible). You have to also look at the customers. That—obviously, the same message went throughout.

I think the best way to get people back, at every level, is for the companies to do the kind of stuff on health and safety. And candidly, I think one of the ways to do that is, either incentivize folks to get vaccinated and those do not—if those workers do not want to get vaccinated, they have very, very regular COVID testing. Because anybody wants to feel safe. And I think that is just a fundamental thing.

I think—as I said earlier, I think Disney was exemplary, in your State, for example. I think there have been some exemplary companies about this. And unfortunately, there have been some who are not. And unfortunately, those who are not, I think, jeopardize everybody else.

So, I think, more and more, that we can have a level playing field of health and safety, the better off we will be because, at the end of the day, the hospitality industry relies on two things. One, people to have income in order to go places. But also, to have the security and feeling of safety. And then, you know, finally is, not view the workers as a (inaudible) item but view them as a service product that brings back loyalty, etc., which I know everybody

speaking on this call understands very well. Sometimes we have companies that understand that very well, and some do not at all.

So, I appreciate the question, Senator Scott.

Senator SCOTT. Thanks, Mr. Taylor, and thanks for what you do. Mr. Lupfer, do you believe, over the next 12 months, in your industry that you work with is all going to come back, and we will have the all the jobs back, that we lost during the pandemic?

Mr. LUPFER. I wish we could get all the workers back, actually. That is, kind of, our problem right now. But here is a little bit of good news, at least for the folks here in Florida. Our Spring Break/Easter season was extraordinary, exceeded expectations. We really, kind of, got caught, not anticipating what was going to happen.

And speaking of small business, we had three privately owned Mom and Pop attractions that experienced 1-day all time attendance records in April of this year. And what we are seeing now, for the summer, is a tremendous demand on Florida, coast to coast to coast, with pre-bookings. This is going to be an exceptional summer season. Really the only thing holding us back is going to be labor.

But I think, a year from now, if COVID continues the decline and if there is not any additional big outbreaks, and as the world comes back out of this, Florida and the United States is going to be in a great place a year from now.

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

Senator ROSEN. Thank you, Senator Scott. I have a couple more questions I would like to ask. And so, there has been a lot of discussion today about our economy being in full recovery. So, I want to talk about some of the hardest hit states during this economic crisis and where we stand today.

I am really pleased to hear that Florida is coming back and that some of those businesses have had record attendance. And I am sure that will continue, and I hope for that. But overall, this recovery has been uneven.

The Bureau of Labor Statistics released state by state April unemployment numbers just this past Friday. So, according to BLS, 21 states still have an unemployment rate of 6 percent or higher. And six states, including Nevada, are still at 8 percent or higher. Hawaii, which is like Nevada, depends on travel and tourism for its economy, is actually the highest at 8.5 percent. At the other end of the spectrum, we have a dozen states with unemployment rates under 4 percent. That is where Nevada was, under three percent, when the COVID crisis hit. But of course, we are not back there yet.

So, given how the recovery does look different in different parts of the country, it makes sense that it looks different to various Senators, depending on where their states are—various Governors, as well. So, for my state, which relies heavily on tourism and our small businesses that support it, we still do need that help.

And last week in the Subcommittee, we talked about how each of our states has so much that is unique and is beautiful to offer to tourists and visitors. And likewise, each of our states is unique in its public health and economic impact of COVID-19.

So, it is important to remember, while we are all impacted by the pandemic, pandemic-related benefits, that may not be needed in some parts of the country, may still be needed in others, as we

begin to all recover together. Because we have to get everybody on the other side of this crisis.

So, Mr. Taylor, with that in mind, I want to ask you a couple questions, based on your experience and, of course, all of your conversations. Number one, how excited are your members to get back to work? And number two, what has the Federal unemployment meant to those hospitality workers when we are still only, as I think you stated, 50 percent back in Las Vegas and so, not robustly back yet?

Mr. TAYLOR. Yes, I am—I am somewhat at a loss when I hear people do not want to go back to work. I know, when I talk to our folks, there is nothing more they want to do but to go back to work. They do not view this as a temporary job. This is their profession, and they have a lot of pride in that. I think, candidly, the standard raised in Las Vegas has allowed that, where people can actually buy a home and have, what we call, the American Dream. So, I think that is important.

You know, as—the Federal unemployment has been a lifesaver. And it has been a lifesaver because no one gets rich on unemployment. The extension of unemployment and increase, I think, even—I think the Reserve Bank of Philadelphia said has been a huge prevention of, frankly, homelessness, even though, as we know, in many major cities, that is a problem. It had helped tremendously on that.

And bluntly, what you all did on—in the CARES Act and the American Rescue Plan, on food insecurity—I never thought, in this country, I would see the kind of food banks that I have seen. But I know in Nevada, as you know, Senator, the Culinary Training Academy has been having a food bank 4 days a week. Since March of last year, they have distributed over 14 tons of food and, frankly, that keeps on going.

We have—when I hear unemployment at 8 percent, I have no idea where they get that number because, as you know, in the hospitality industry, whether it be restaurants, hotels, casinos, concert venues, etc., those are not back, even in the most optimistic sense. And those people are without jobs.

So, the unemployment, and also the money for food, and frankly, the eviction moratorium has been key. So, I cannot thank you enough. But nobody wants any of that stuff. They want to go back to work. People have pride. They want to work with their hands. They want to meet their customers. They want to see the loyal people come back.

So, that is the frustrating thing. At the same time, you could open up every place in the world. If people do not feel safe, they are not going to come back.

And I agree on the international travel. We have got to try to get international travel moving again. I know, Mr. Lupfer is exactly right. America is an unbelievable country. You can see the greatest things in the world here and we want them to come here. But obviously, part of that has to do with safety and I appreciate all the work that you all have done on all of that, too.

Senator ROSEN. Thank you. I want to just ask one final question and it is really to—it is to Mr. Newsome. You know, our pandemic has really had an impact on our worker of color, our small business

owners. It has disproportionately impacted certain racial and ethnic groups, whose employment is concentrated in hospitality and leisure.

During the Great Recession that began in 2008—2009, excuse me, Latinos experienced some of the highest levels of unemployment because they were heavily concentrated in hospitality and construction jobs, two sectors that experienced steep downturns. As of 2018, the year for which the most recent data is available, 32 percent of Latinos, about 34 percent of Asians, which were employed in leisure and hospitality, they suggest that workers in these two groups are at higher risk for unemployment during economic downturns because of what happens in these sectors. Immigrant workers, what we have talked about, they have traditionally been mainstays for many of these occupations, have also been disproportionately impacted.

So, as you are Chair of the Urban Chamber, Mr. Newsome, how are minority owned businesses working to ensure that workers of color, in the hospitality and tourism industry, are not left behind? And just—you talked about it a little bit, specific things that we may do, in some of those communities, to be sure that we keep our small businesses growing every which way we can?

Mr. NEWSOME. Well, thank you very much for that, Senator Rosen. And as you know, you know, in 2008, I was grossly impacted by losing 60 percent of my business, which—you know, we spend a lot of time working with construction firms and working with—in the hospitality industry. And one of the things that is real important, is that, you know, we have to keep investing. Keep investing in the work force. Keep investing in tourism.

But like I said, really investing in the JOBS Act because building the infrastructure is really what helped Nevada make a turn for the better, when it came to small and minority firms and when it came to rebuilding our economy. Because, as you know, we—we passed the Fuel Tax, we—we built the stadium, we built the new Convention Center. Those things brought back jobs.

But not only that, our Nevada State legislature, in their wisdom, put in the law that 15 percent of those contracts would go to small businesses. That was huge because, with a focus on that, it really brought back a lot of the work force. It brought people back, you know, back from where they wanted to work.

And I agree with D. that people do not want to sit at home. People are not trying to figure out how they can just lay back and relax on the small amount of support that they receive. They really want to be out there working. They want to work hard.

And as you know, Senator Rosen, the Urban Chamber, Latin Chamber, and Asian Chamber, in support with our Vegas Chamber and the Henderson Chamber, these—these guys all work together. I will tell you what I love about being a Nevadan is the fact that everybody comes close. Like I said, we are a very, very close community, north and south. Most people try to divide us, but as a Nevada community, we are all in the same boat and we typically come together to make sure that, if the least of us suffers, we make sure that we all chip in.

So, our minority communities can rebound with the support of these investments and some of the innovation that we are talking

about. Plus, it also helps to build our infrastructure. It also helps us to build our community. And then, everybody—everybody working is really what the goal is and getting everybody back to recover together. And I call it more than recovery. I call it rebounding because I think rebounding means you are bouncing back. Recovery is you are going back to where you were. I think we need to go better and harder and stronger than where we were before.

Senator ROSEN. I like that. We are going to rebound. Senator Scott, do you have anything else? Otherwise, I am going to close out the hearing.

[Silence.]

Senator ROSEN. So, I really want to thank all of our witnesses for being here today, for your work, for your passion, for your care, for your states, for your communities, and everything that you do. It is so important, and we will all rebound together. So, I really appreciate you all.

So, for the record, this hearing record will remain open for two weeks, until Tuesday, June 8, 2021. Any senators that would like to submit questions for the record, should do so by Tuesday, June 8, 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 hearing. I thank you.

[Whereupon, at 4:24 p.m., the committee was adjourned.]

