

LEGISLATIVE SOLUTIONS TO REVIVE TRAVEL AND TOURISM AND CREATE JOBS

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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LEGISLATIVE SOLUTIONS TO REVIVE TRAVEL AND TOURISM AND CREATE JOBS

TUESDAY, SEPTEMBER 21, 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 p.m. in room SR-253, Russell Senate Office Building, Hon. Jacky Rosen, Chairwoman of the Subcommittee, presiding.

Present: Senators Rosen [presiding], Klobuchar, Sinema, Scott, Wicker, and Blunt.

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

Senator ROSEN. Good afternoon and welcome to the Tourism, Trade, and Export Promotions Subcommittee's our fifth hearing, fifth hearing on Reviving Travel and Tourism Economy, and our first Legislative Hearing.

Over the past few months members of this subcommittee and of the Full Commerce Committee have been working together on a bipartisan package of travel and tourism bills, officially called "The Omnibus Travel and Tourism Act" or as we prefer to call it "The Tour Bus."

This comprehensive legislation will support the recovery of the travel and tourism economy in the wake of the COVID-19 pandemic and help us build a brighter future for businesses and workers in this key sector for every single state in our Nation.

Since we held our first hearing on the state of travel and tourism industry in April of this year, there have been some positive trends. Just yesterday the Administration announced its intentions to begin lifting travel restrictions in November for fully vaccinated foreign travelers seeking to fly to the United States. This safe practical step will provide a much-needed boost to our travel and tourism economy, supporting businesses and workers as we look to turn the corner from this pandemic.

And yesterday's news is just one more sign that the travel and tourism industry appears to be in the process of recovering but slowly.

Harry Reid International Airport in Las Vegas saw just over four million visitors in July, only 8 percent below its July 2019 numbers, and thankfully consumers are planning leisure travel again.

Federal relief, like the Paycheck Protection Program, the Restaurant Revitalization Fund, and the Shuttered Venue Operators

Grant Program, well, they've helped keep businesses afloat during this very trying period.

Support for tourism-heavy economies throughout the Economic Development Administration grants has also helped make this recovery possible.

Widespread availability of the COVID-19 vaccine, of course, has provided the greatest stimulus, improving public health and consumer confidence.

However, the travel and tourism industry, vital to every state's economy and work forces, still needs significant help. Business travel revenue is not expected to return to 2019 levels until at least 2024. There are nearly 500,000 fewer hotel jobs compared to the pre-pandemic hotel employment and overseas arrivals in July 2021 were nearly 78 percent below July 2019 levels. For numerous reasons, international travel remains virtually nonexistent and we look forward to the lifting of international travel bans.

I'm happy to report, though, that help is on the way not only focused on pandemic recovery but also on the future growth of travel, tourism, and hospitality in years to come. We must help create and bring back good paying jobs and that depends on bringing more visitors to the U.S. and investing in the infrastructure that the travel and tourism industry desperately needs.

Bipartisan bills packaged together and the Tour Bus package will create jobs and further support the recovery of the travel and tourism industry by, Number One, establishing permanent leadership in the Federal Government on travel policies and strengthening the Department of Commerce's role in coordinating Federal travel and tourism policies.

Two, investing in Brand USA, the Nation's public/private partnership dedicated to increasing international visitation to the United States.

Number Three, updating the Department of Transportation's National Travel and Tourism Infrastructure Strategic Plan to better leverage infrastructure investments to help the industry recover from the pandemic.

Number Four, studying innovative ways to screen airport travelers for COVID-19 and establishing a temporary joint task force among the Department of Transportation, the Department of Homeland Security, and the Department of Health and Human Services to address the unique impact of COVID-19 on air travel, both during and after the pandemic.

I'm proud of the work that the members of the subcommittee that we've done to build the Omnibus Travel and Tourism Act. I particularly want to thank Chair Cantwell for supporting this bipartisan effort and her team for contributing to our discussions, Ranking Member Wicker for his team's significant role in crafting the package and facilitating discussions, and Ranking Member Scott for his leadership on airport screening provisions, Senators Klobuchar, Sullivan, and Blunt for their major substantive contributions to the bill, and so many other members on this subcommittee and Full Committee that are leading or co-leading provisions in the draft Omnibus, Senators Markey, Schatz, Sinema, and Blumenthal.

I also want to thank my colleague from Nevada, Senator Cortez Masto, for her team's contribution to the development of this legislative package and I look forward to continuing to partner with her to advance policy changes that grow Nevada's travel and tourism industry.

I'm looking forward today from hearing from all of our witnesses about how we can improve our legislation before we bring it before the broader Commerce Committee for a vote and then to the Senate Floor.

Testifying today on the bill, we have industry experts from the U.S. Travel Association, the Global Business Travel Association, the Airports Council International, North America, and the American Hotel and Lodging Association.

It is my hope that today's hearing will demonstrate why we need to pass the Tour Bus package and provide a forum for an engaging discussion on how to further support travel and tourism businesses and their workers as the industry recovers.

Thank you all again for being here and I look forward to hearing each of you share your experiences and expertise with us.

I'll now turn it over to Ranking Member Scott for his opening statement and then introduce our witnesses.

Senator Scott.

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

Senator SCOTT. First, I want to thank Chair Rosen for hosting this hearing today. I also want to thank Chair Rosen for her team which is very dedicated to growing tourism not just in each of our states which is important to our economy but all across our country.

I want to thank all of our witnesses for being with us and sharing their perspective.

Travel and tourism are incredibly important to the American economy, every state, and that's on full display in my home state of Florida. Florida's home to some of the best travel destinations in the world, whether that be our beaches, our wildlife, our attractions, cruising and more.

When I was Governor, we grew the number of annual tourists from 80 million tourists when I got started to the last year I was there 126 million tourists, creates a lot of jobs. It was a record number every year.

These tourists support our small businesses. They fuel our job growth. They help increase our state's investments in the environment, transportation, public safety, and education, and I think it's true probably for Chair Rosen's home state and mine when people come down there as tourists, they often buy a home, they don't use it, and pay all of our taxes. It's a great deal.

I know this pandemic has impacted each of us differently and we've had to adapt to a lot for our families, our businesses, and employees to stay safe. Unfortunately, the pandemic has hurt Florida's travel industry significantly. I think the same is true for especially the Las Vegas industry, much like I think the entire country.

I've heard from a lot of businesses and employees in Florida that rely on tourism for their jobs and they're facing a lot of challenges

in this recovery from the pandemic. I know everybody's working hard to get our businesses reopened and get these jobs back.

Florida's open for business. I know the regulations the Biden Administration has proposed in the mandates related to COVID, international travel have created some uncertainty around the state of especially our international travel and our tourism industries, and we all have to continue to work to figure out how to do this until we get these tourists back.

Our nation, as we all know, can't go back to shutdowns. We can't cripple our economy. We can't destroy our jobs again. All these things have impacted our family, each of our families, education, everything.

I got my vaccine. I think probably everybody here did. Some people have probably even got three of them and so anybody, I encourage and I think we all would, anybody that feels comfortable getting the vaccine, I hope they get one. I've been talking to our hospital industry and very few of the individuals that have gotten really sick in our hospitals have had the vaccines. So I had COVID and got the vaccine and I hope other people do the same thing.

So I'm very proud of the work that Chair Rosen has led on this subcommittee. I think it's very important to a lot of jobs and I look forward to continuing to work with the Chair in getting some things done through the Full Committee.

I worked on a lot of bills with regard to travel. I just want to bring up a couple of them. The bipartisan Fly Safe K-9 COVID Detention Act with Senator Sinema to direct TSA to conduct a feasibility study on the use of K-9 units which have been reportedly effective in detecting COVID and will provide an additional layer of passenger screening.

I think we all have to figure out how to get our airports better at doing screening so we don't ever have this shutdown again because, I mean, the number of jobs lost for a period of time because of what happened with travel, either domestic or international, is devastating.

We also, I think all of us are very focused on restoring Brand USA. It's a bipartisan bill with Senators Klobuchar, Blunt, and Chair Rosen. It will make existing funds available to Brand USA to promote international travel as we recover from this COVID.

So I think everybody sitting here, we've all sponsored legislation that's going to help make sure we get this travel industry back.

So I look forward to working with all of my colleagues to make sure we go back to record tourism again in each of our states because it creates a lot of jobs, good paying jobs, in every one of our 50 states.

Thank you, Chair Rosen.

Senator ROSEN. Thank you, Senator Scott.

I'm going to yield now to Senator Wicker, the Ranking Member of the Full Committee, for some opening remarks.

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

Senator WICKER. Thank you so much, Senator Rosen and Senator Scott, for holding this important hearing to examine legislative proposals to revive travel and tourism and create jobs.

The new Tourism, Trade, and Export Promotion Subcommittee has been very active in this Congress and I'm encouraged by the bipartisan nature of its work and this is certainly a bipartisan issue we are talking about today.

The travel and tourism industry is a vital pillar of the American economy. COVID-19 has decimated this industry perhaps more than any other sector. Nearly 40 percent of all U.S. jobs lost because of the pandemic were in leisure and hospitality employment.

During the worst point of the crisis, unemployment in the travel and tourism sector reached over 50 percent, more than double the national unemployment rate at the height of the Great Depression.

Congress has sought to provide much-needed relief to help this industry survive and recover, and we recognize that more support is needed.

Over the past several months our staffs and the staffs of several other members have formed a working group to examine how various pieces of bipartisan legislation could be packaged together to support our economic recovery. Their work has led to the draft of the Omnibus Tourism Act, the Tour Bus. I hope that becomes a by-word in this Congress.

The discussion draft includes provisions to study the impacts of COVID-19 on the travel and tourism industry, elevate travel and tourism matters at the Department of Commerce, promote travel to the United States, and set visitation goals for international travelers.

This draft legislation has the potential to promote the travel and tourism industry and accelerate its recovery.

I hope our witnesses today will update the committee on the state of travel and tourism industry and share their views on the discussion draft. It might take years to restore travel and tourism to pre-pandemic levels but I hope not. I'm hopeful that our work on this draft legislation will lead to a bipartisan package that will help this sector heal faster and prosper once again.

Thank you, Madam Chair.

Senator ROSEN. Thank you, Senator Wicker, appreciate you being here today and for your comments.

So we have four of our witnesses. Some are visiting with us virtually and so the first witness that I'd like to introduce is U.S. Travel's Tori Emerson Barnes. We're going to welcome her back to the subcommittee.

Ms. Barnes provided invaluable testimony at our inaugural subcommittee hearing back in April and I am thankful that she's joining us again today as we develop her recommendations in the legislative solutions.

As the Executive Vice President of Public Affairs and Policy at U.S. Travel Association, Ms. Barnes leads the Government Relations, Policy Development, Communications, Marketing, and Research Teams for the Nation's leading advocacy organization for travel and tourism issues.

Ms. Barnes, you are now recognized for your opening remarks.

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

Ms. BARNES. Chair Rosen, Ranking Member Scott, and the members of the Subcommittee, good afternoon.

I'm Tori Emerson Barnes, Executive Vice President of Public Affairs and Policy for the U.S. Travel Association. We're the only association that represents all sectors of the travel industry. Thank you for inviting us to participate in this important hearing.

While I always prefer to meet face-to-face, I'm thrilled to be testifying virtually from Chair Rosen's hometown of Las Vegas, Nevada, where the U.S. Travel Association is hosting its annual trade show IPW. In fact, IPW is the perfect example of why today's hearing is so important.

At IPW, international travel buyers from around the globe meet with American travel businesses and destinations to purchase bookings for future travel to the United States.

In 2018, travel bookings purchased at IPW generated \$29 billion in international travel spending through the U.S. which supported 83,000 American jobs. This trade show demonstrates the substantial economic power of both business and international travel, two vital segments of the industry that are still struggling to recover.

According to Tourism Economics, domestic business spending this year is projected to be just 57 percent of 2019 levels and the U.S. is projected to lose more than \$200 billion in international travel spending this year.

Economists project that it will take at least 4 years for these segments to be restored and we simply can't wait that long.

Thankfully, with the right policies in place, as proposed by this committee, Congress can accelerate a safe return to travel and restore travel jobs.

U.S. travel has identified three broad areas where Congress can act. First, provide continued relief for impacted travel businesses, second, enact stimulus measures to spur travel demand, and third, enact long-term investments and policy changes to build a stronger, more globally competitive travel industry.

For continued economic relief, many small businesses and organizations are still struggling to stay afloat, particularly those that are heavily dependent on business and international travel or in regions where leisure travel has been slow to return.

Congress should consider extending PPP or reform the Restaurant Revitalization Fund to provide grants to travel-related/travel-dependent small businesses and enact the Save Hotel Jobs Act.

To accelerate the return of business travel meetings, conferences, and events, Congress should enact the bipartisan Hospitality and Commerce Jobs Recovery Act which would help support business meetings and event-related travel.

These tax credits alone could generate \$227 billion in incremental economic activity and help restore the 2.8 million hospitality jobs that remain lost to the pandemic.

Congress can also enact stimulus measures to restore international travel quickly and safely. I would like to applaud the Biden Administration for its announcement that it plans to lift

212(f) entry restrictions in early November and replace them with a global vaccine and testing requirement for inbound international travelers, but with this announcement the hard work now begins to make the United States the top destination in the world once again. That's why Congress must quickly enact the Restoring Brand USA Act.

I'd like to thank Senators Klobuchar and Blunt for introducing the Restoring Brand USA Act which provides one-time emergency funding of \$250 million to support the organization's recovery.

We strongly support the inclusion of this Act and the Omnibus Tourism Act of 2021 which provides another possible pathway toward enactment.

Finally, Congress must support investments and policies that can make the travel industry stronger and more globally competitive than it was before the pandemic. Congress can accomplish this by enacting the Visit America Act which would elevate the Commerce Department's role in coordinating Federal travel policies and setting long-term national strategies, establishing more senior leadership at the Department of Transportation to coordinate travel policy across all modes of transportation, enacting the One Stop Security Pilot Program that would streamline the entry process without compromising security, and making investments in travel infrastructure to bring about a more modern, efficient, sustainable transportation network.

Last, I'd like to thank the Committee for its critical role in shaping and advancing the bipartisan Infrastructure Investment and Jobs Act which will also be critical for the travel industry's recovery.

From relief to stimulus to investments in the future, there's no shortage of policies that could help restore travel jobs and get Americans and our economy moving again.

I'd like to thank the members of this subcommittee, including the Honorary Subcommittee Senator Blunt, for your work developing the Omnibus Tourism Act or Tour Bus of 2021, and we hope the bill will move through the committee soon so that we can ensure that these policies can be enacted this year.

We are so grateful for your significant leadership for the travel industry and I look forward to working with you on these solutions and welcome any questions that you may have.

[The prepared statement of Ms. Barnes follows:]

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

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

I am Tori Emerson Barnes, executive vice president of public affairs and policy for the U.S. Travel Association. Thank you for inviting the travel industry to participate in this critically important hearing.

While I always prefer to meet face-to-face, I am thrilled to be testifying virtually from Las Vegas, Nevada, where the U.S. Travel Association is hosting its annual tradeshow, IPW. In fact, IPW is the perfect example of why today's hearing is so important.

IPW is the leading inbound travel trade show in the U.S., where international travel buyers and tour operators from around the globe come to purchase future travel bookings to the U.S. At IPW, American travel businesses and destinations showcase and sell the hospitality services and diverse cultural attractions that make the United States the best country to visit in the world.

Travel bookings purchased at IPW produce substantial economic benefits—for both the host city, like Las Vegas, and the entire country. In 2018, international travel buyers at IPW purchased nearly \$5.5 billion in direct bookings with U.S. suppliers and destinations. These bookings were estimated to have brought more than 11.6 million international visitors to the U.S. over a 3-year period, which generated an additional \$29 billion in travel spending. The total economic impact of the 2018 IPW supported 83,000 American jobs.¹

This trade show demonstrates travel's substantial economic power. It also highlights two vital segments of the industry that have been decimated by the pandemic and have yet to fully recover: Business and international travel.

Business Travel Remains Immobile

Prior to the pandemic, business travel—which includes professional meetings, events, and conferences like IPW—accounted for just 20 percent of all trips within the U.S. Yet, business travel spending generated 40 to 60 percent of airline and hotel revenue.

Once the pandemic hit, business travel dropped to historic lows. In 2020, business travel spending fell by 69 percent. Spending on travel for large, in-person professional meetings and events declined by 76 percent, for a total loss of \$97 billion.²

Today, there is little hope for a near-term recovery in business travel spending without innovative Federal policy solutions. Research by Deloitte found that, by the end of June 2021, the vast majority of corporate travel budgets were still 75 percent or more below 2019 levels.³ According to Tourism Economics, domestic business spending in 2021 is projected to be just 57 percent of 2019 levels and will not fully recover until 2024.

International Travel Restrictions are Crippling Recovery

International travel to the U.S. also remains severely depressed, due largely to the continuation of section 212(f) entry restrictions and border closers for Canada, the United Kingdom (UK), the European Union (EU), and several other nations.

In 2020, international travel spending in the U.S. declined by 79 percent, leading to the loss of 1.1 million American jobs.⁴ For each week that travel restrictions on Canada, the EU, and the UK remain in place, the U.S. economy will lose another \$1.5 billion in international visitor spending, which is enough to support 10,000 American jobs. If nothing is done to ease entry restrictions before the end of this year, economists project that the U.S. will lose a total of \$262 billion by the end of 2021 and international visitation will not fully recover until at least 2024.⁵

Data and Scientific Studies Show Travel is Low Risk

The good news is that we can reopen international travel and encourage the return of business travel without compromising public health and safety.

Research from the Mayo Clinic shows that with right protections in place—such as pre-departure testing, proof of vaccination, and mask wearing—the risk of a person infected with COVID-19 boarding a flight from the UK to the U.S. is 1-in-10,000. The same research shows that the risk of an infected passenger transmitting the virus while flying is even lower, at 1 out of 1 million passengers. Additionally, the Aerospace and International Airline Medical Associations found that the risk of contracting COVID-19 during air travel is lower than contracting the virus while in an office building, classroom, grocery store or commuter train.

Professional meetings and events have been shown to be equally low risk. According to analysis by the Ohio State University, professional meetings and events “have not been super-spreader events.” Modeling by the research firm Epistemix found that the risks of infection at events can be eight times less than within the local community where the event was held. The same analysis found that events have not been a major driver of case counts, largely because vaccination rates among participants are approximately 80 percent, which is much higher than the overall population.

¹ https://www.ustravel.org/system/files/media_root/document/2.3.14_The_Economic_Impact_of_IPW.pdf

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

³ <https://www2.deloitte.com/us/en/insights/focus/transportation/future-of-business-travel-post-covid.html?id=us:2el:3pr:4di7303:5awa::MMDDYY.&pkid=1007740>

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

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

Legislative Solutions to Revive Travel and Tourism and Create Jobs

Despite the overwhelming evidence that it's possible for an immediate and safe return of travel, we still have a long way to go on the road to recovery. The leisure and hospitality (L&H) industry added NO jobs in August, after six months of averaging 350,000 new jobs per month. Employment in the leisure and hospitality industry remains 10 percent below pre-pandemic levels and 32 percent of all jobs lost in 2020 have not been restored. Overall, economists predict that it will take at least four years for the industry to fully recover to 2019 levels of employment and spending. That is far too long to wait.

Congress and the Administration must implement the right strategies now to restart widespread travel. U.S. Travel has identified three broad areas where Congress can act:

1. Provide continued economic relief for impacted travel businesses.
2. Enact stimulus measures to spur travel demand and accelerate rehiring, including the Hospitality and Commerce Jobs Recovery Act (S. 477) and the Restoring Brand USA Act (S. 2424).
3. Make long-term investments to build a more modern and competitive travel industry, including investments in travel infrastructure, streamlining aviation security, and elevating Federal leadership in travel policymaking.

Provide Continued Economic Relief for Small Travel Businesses

Congress should provide continued economic relief to small travel business or organization that are struggling to stay afloat because of the pandemic—particularly hotels, tour operators, event organizers, travel planners, food service businesses, and in-person entertainment and amusement providers. As long as COVID-19 remains a threat to a full reopening, targeted relief will be needed to help travel businesses and organizations overcome unanticipated challenges related to the pandemic, meet basic expenses, and keep their workers employed. Economic relief measures should include:

1. Extending PPP, reforming the Restaurant Revitalization Fund, or enacting the SAVE Act (H.R. 2120) to provide grants to travel-dependent small businesses and organizations with continued revenue decline.
2. Enacting the Save Hotel Jobs Act (H.R. 3093 / S. 1519).

Enact the Hospitality and Commerce Jobs Recovery Act (S. 477)

Congress can accelerate recovery and rehiring by providing economic incentives for the return of conferences, conventions, and trade shows, which are a significant driver of business travel. Section 2 of the bipartisan Hospitality and Commerce Job Recovery Act (S. 477) provides:

1. A tax credit for meeting venues and others to offset the financial risks associated with organizing meetings and events during the pandemic; and
2. A tax credit for businesses and nonprofits to encourage them to start planning for attending professional meetings and events as conditions improve. Such events typically require around 6–9 months of lead time with commitments from

This meetings and events tax credit alone would generate \$227 billion in incremental economic activity, help restore the 2.8 million hospitality jobs that remain lost to the pandemic, and boost government tax revenue by \$15.9 billion.

That's why we're urging Senators to cosponsor S. 477 and push for the inclusion of the meetings and events tax credits in the next moving legislative vehicle.

Provide Emergency Funding for Brand USA

Congress can also enact stimulus measures to restore international travel quickly and safely. Investment in Brand USA would see major returns for American businesses and help bring back jobs reliant on international exports.

As members of this committee know, Brand USA is a public-private partnership, established by the Travel Promotion Act, that promotes international travel to all regions of the U.S. It receives 50 percent of its funding from the collection of a fee that Visa Waiver Program visitors pay before coming to the U.S. and the other 50 percent through 1-to-1 matching contributions from the private sector.

Brand USA's funding was decimated by COVID-19 and international travel restrictions. ESTA fee collections are projected to be just \$10 million this year, down from an average of more than \$110 million.

Now more than ever, our economy needs Brand USA. The 212(f) travel bans, massive delays in visa issuance, and other travel restrictions have damaged the image

of the U.S. as a destination for business travel and tourism. Brand USA will be essential for restoring our Nation's image, encouraging international visitors to return, and communicating any new public health and safety requirements for entering the United States.

We are grateful for the leadership of Senator Klobuchar and Senator Blunt for introducing the Restoring Brand USA Act (S. 2424), which provides one-time emergency funding of \$250 million. Best of all, the funding in the Act comes from a surplus of fees that were originally collected and intended to fund Brand USA.

We'd like to thank Chair Cantwell, Ranking Member Wicker, Chair Rosen, and Ranking Member Scott for marking up S. 2424, and members of this committee for approving the bill with overwhelming bipartisan support. We also strongly support the inclusion of the Restoring Brand USA Act in the Omnibus Tourism Act of 2021.

Elevate Federal Leadership in Travel Policymaking

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

The establishment of an Assistant Secretary for Travel and Tourism within the Department of Commerce, as prescribed in the Visit America Act, would help centralize decision making on a wide array of complex travel issues that must be urgently addressed, including how to streamline visa and visitor processes. We also commend the Act for exploring innovative ways to achieve ambitious international visitation goals, including by directing the Assistant Secretary to lead on promoting meetings, conferences, recreation, and other events to be hosted in the U.S.

The U.S. Travel Association fully supports including the text of Visit America Act in the Omnibus Tourism Act of 2021.

The Omnibus Tourism Act of 2021 also includes language directing the Secretary of Commerce to study the economic impacts of COVID-19 on America's travel industry, develop a recovery strategy, and set national visitation and spending goals for international travel. We urge the subcommittee to consider including language in the bill that directs the Secretary of Commerce to develop a national travel and tourism strategy, including setting visitation and spending goals, on a consistent basis of no less than every 10 years.

Establish a One-Stop Security Pilot

A longer-term proposal that we strongly support is the One-Stop Security program. This would authorize the Transportation Security Administration (TSA) to conduct a pilot program at ten airports in which a traveler and their carry-on baggage would not need to be re-screened upon arrival in the U.S. for their domestic connecting flight, if the last point of departure airport has an equivalent level of screening to the U.S. The One-Stop Security program would uphold the safety and security of the air travel system, while providing air travelers with much-needed efficiencies and a more seamless travel experience. We urge the subcommittee to consider including language in the Omnibus Tourism Act to enable the TSA to continue and expand this program if it proves successful.

Improve America's travel infrastructure

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

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

We want to thank this committee for its critical role in shaping and advancing the Infrastructure Investment and Jobs Act. This bipartisan package represents a substantial step forward in securing a more modern and connected future for the country. In addition to historic investments in U.S. airports, passenger rail, and other critical travel infrastructure, the legislation recognizes the essential role of travel in the U.S. economy. Notably, it establishes a new leadership role at the Department of Transportation responsible for coordinating travel infrastructure policy across all modes of transportation and developing strategies for reviving tourism in the wake of COVID-19. We support the inclusion of similar provisions in the Omnibus Tourism Act of 2021 to elevate leadership within DOT on travel and tourism issues.

In the coming days, we will do our part to urge the House of Representatives to pass the Infrastructure Investment and Jobs Act.

Closing

Following nearly 20 months of rapid job losses, severe financial downturns, and major operational disruptions, travel industry workers and businesses are still not out of the woods. Many fear that it will take at least four years until employment and spending fully recover. Thankfully, with the right policies in place, Congress can significantly shorten this timeline.

Thank you for inviting the broader travel industry to testify on the legislative solutions needed to support our industry during these unprecedented challenges. Thank you for your leadership to develop the Omnibus Tourism Act of 2021 and for your support of travel-related measures that are outside the committee's jurisdiction. We look forward to working with you on these solutions and I welcome any questions you might have.

Senator ROSEN. Well, thank you, Ms. Barnes, appreciate you being here.

Now I'd like to introduce our next witness. Ms. Suzanne Neufang, CEO of the Global Business Travel Association, GBTA, the country's premier business travel and meetings trade organization.

Ms. Neufang formally assumed her role as CEO earlier this year. Prior to leading GBTA, Ms. Neufang held several senior leadership roles at travel and technology companies. She's been an active member of GBTA since 2005 and led the Association of Corporate Travel Executives in various capacities between 2012 and 2018.

Ms. Neufang, thank you so much for being here virtually. You're now recognized for your opening remarks.

STATEMENT OF SUZANNE NEUFANG, CEO, GLOBAL BUSINESS TRAVEL ASSOCIATION

Ms. NEUFANG. Chairwoman Rosen, Ranking Member Scott, and members of the Subcommittee, I'm Suzanne Neufang, CEO of the Global Business Travel Association or GBTA.

Thank you for the opportunity to testify today regarding Legislative Solutions to Revive Travel and Tourism and Create Jobs.

GBTA, as the premier business travel and meetings trade association, is headquartered in the Washington, D.C., area. GBTA serves the global network of more than 28,000 corporate travel policy professionals and over 125,000 constituents within the business travel industry. We represent an industry that in 2019 accounted for \$1.9 trillion globally and \$345 billion in the U.S. alone.

For the last 12 years GBTA has produced an annual business travel index which is a comprehensive study of business travel spending and growth covering 75 countries across 48 industries. Our most recent study was released in February 2021 and it was based on Fourth Quarter 2020 data.

This analysis projected that the financial impact of global travel decline from the COVID-19 pandemic was expected to be 10 times that of the Great Recession or 9/11. Our forecast estimated a full global recovery in business travel no earlier than 2024 and in the U.S. 2025.

In fact, we estimate this year's global business travel spending would be no greater than \$842 billion, a loss of 40 percent since 2019, and focusing just within the U.S., business travel spend for 2021 is estimated to be less than \$145 billion this year, a decline

of 57 percent, and because this study was released in February, these estimates do not factor in the latest considerations, especially delayed restart plans due to impacts related to the Delta variant.

GBTA also conducts a monthly COVID-19 recovery poll of our constituents and our recent data shows renewed negativity in business travel sentiment within especially the past 2 months.

GBTA's early summer polling showed that 61 percent of U.S. companies were already conducting some non-essential domestic business travel. Of those not traveling, two-thirds planned to resume domestic travel within 3 months. However, by august that figure had fallen to one-fourth as COVID-19 cases were once again rising.

As I've put forth, the business travel industry needs additional support and resources to recover. As such, GBTA supports the inclusion of the Omnibus Tourism Act of 2021 and the Build Back America Plan as a positive step in restoring global business travel and meetings in the U.S. and abroad.

While there are many good policy ideas in this legislation, I will focus here on two: the implementation and support of Visit America and needed improvements in the visa process.

As restrictions on international travel ease, it will be vital for Visit America and promotion of travel to the U.S. to inform the world that America is safe and open for business.

Additionally, there is no question that the 212(f) restrictions on European Union, U.K., and other travelers visiting the U.S. dramatically impacted business travel. This is a policy that began in early 2020 and whose restrictions were just updated yesterday for November implementation, a very long 18 months and which we welcome ending.

International companies welcome the safe reopening of the U.S. for their business travelers and need to know that we will remain a safe destination. The Visit America Program and the items related to interagency cooperation, strategic divisions on tourism, and improving safety and screening are necessary to achieve this goal.

Second, visas and by extension, passports are vital to business travel. Prior to COVID-19, the process for obtaining visas and passports was already strained. Now the processing time is significantly longer. We're getting reports of visa appointment availability in some countries stretching into mid-2022. Passport-enabling companies are reporting to us that the Department of State standard delivery time for passports has tripled from 6 weeks pre-COVID to 4 months today. Expedited passport delivery has gone up sixfold from 2 weeks to 3 months.

So we urge the expediting of visa and passport processing times so that as business travelers return to travel and return to business they can have the proper documentation.

As we look ahead, the business travel industry is still in deep recovery mode and will be for the near future. It is important that government and business work together mitigating risks, such as by increasing vaccination uptake.

One thing we do know, it's time that we get business travelers back in the skies, on trains, and on the road again safely and responsibly.

Thank you very much.

[The prepared statement of Ms. Neufang follows:]

PREPARED STATEMENT OF SUZANNE NEUFANG, CHIEF EXECUTIVE OFFICER,
GLOBAL BUSINESS TRAVEL ASSOCIATION

Chairwoman Rosen, Ranking Member Scott, and Members of the Subcommittee: my name is Suzanne Neufang, and I am Chief Executive Officer of the Global Business Travel Association (GBTA). Thank you for the opportunity to testify regarding “Legislative Solutions to Revive Travel and Tourism and Create Jobs.”

GBTA is the world’s premier business travel and meetings trade organization headquartered in the Washington, D.C. area with global operations and 37 chapters across this country. Our membership of travel buyers and suppliers around the world manages more than \$345 billion USD in global business travel and meetings expenditures annually. GBTA delivers world-class education, events, research, advocacy, and media to a growing global network of more than 28,000 travel professionals and 125,000 active stakeholders and constituents within our industry.

For the last 12 years, GBTA has produced an annual Business Travel Index which is an exhaustive study of business travel spending and growth covering 75 countries across 48 industries. Our last study iteration came out in February 2021 based on Q4 2020 data.

This analysis projects that the financial impact of global travel decline from the COVID-19 pandemic is expected to be ten times that of the Great Recession and 9/11. And the latest forecast estimates a full global recovery in business travel no earlier than 2025.

We estimate this year’s global business travel spending will be no greater than \$842 billion USD—an approximate \$550 billion USD decline from the previous forecast due to the ongoing pandemic. For the US, business travel spend for 2021 is estimated to be no greater than \$144.7 billion USD—a forecasted decline of \$192 billion USD.

And because this GBTA study was released back in February, these estimates do not factor in the latest considerations, delayed restart plans, and other impacts related to the Delta variant.

Additionally, our data found that the true global financial impact of COVID-19, which began in Q2 2020, resulted in an expected 68 percent year-over-year decline of business travel spend globally (to \$738 billion USD) for 2020 compared to 2019.

While most corporations are well positioned financially to resume investment in business travel now, a full recovery will require critical mass and concerted efforts to get business travelers back on the road again. This includes global vaccinations; implementation of health controls into duty of care policies at the corporate level; favorable business traveler sentiment to travel for work again; government attention and cooperation for consistent protocols; and a return to normal borders for international and national travel.

Prior to February 2021, we expected these initiatives to be well underway with strong vaccination progress throughout 2021—and so global business travel was estimated to recover to its 2019 \$1.4 trillion in annual expenditures by 2024, just 2 percent shy of annual pre-pandemic totals. But again, those estimates did not account for Delta variant setbacks seen in the recent months.

In fact, GBTA’s recent monthly COVID-19 Recovery Poll of our constituents shows significant declines in travel bookings in the recent months driven by the Delta variant.

Since the beginning of the pandemic, GBTA has been tracking sentiment and data around business travel’s COVID-19 recovery to help our members and the industry move through these current times. GBTA’s early summer polling showed about 61 percent of U.S. companies were already conducting some non-essential domestic business travel. Of the remaining 39 percent, two-thirds planned to resume domestic travel within one to three months—but by August, that percentage had fallen to less than one-third (28 percent) as COVID-19 cases started to rise again and the Delta variant spread.

As I have put forth, it is easy to see the business travel industry needs additional support and resources to recover. As such, GBTA supports the inclusion of the Omnibus Tourism Act of 2021 in the Build Back America plan as a positive step in restoring global business travel and meetings in the U.S. and abroad.

While there are many good policy ideas in this legislation, I will focus here on two: the implementation and support of “Visit America” and needed improvements in the visa process.

As restrictions on international travel ease, it will be vital for Visit America and promotion of travel to the U.S to inform the world that America is safe and open for business.

Additionally, there is no question that the 212f restriction on European Union and UK travelers visiting the U.S.—a policy that began under President Trump but continued under President Biden—has dramatically impacted business travel.

Using our annual GBTA Convention as a very narrow example, due to current travel restrictions, our association and travel industry members stand to lose significant business opportunities and revenue in an already tight financial year. This is because international companies are unable to send employees to the event this year—or face trying to secure difficult-to-obtain exceptions to do so.

For perspective, GBTA's 2019 Convention in Chicago welcomed over 7,000 attendees from the U.S. and over 50 countries. Chicago reported an economic impact of \$20 million USD. After canceling the 2020 Convention, GBTA is holding our Convention this year in November in Orlando, Florida. Because of COVID and U.S. policies, we expect significantly fewer attendees overall and very few international attendees and exhibitors.

International companies need to know it is safe to send their employees to meetings and events in the U.S. The Visit America program and all other items related to interagency cooperation, strategic decisions on tourism and improving safety and screening are necessary to achieve this goal.

Secondly, visas—and by extension passports—are vital to business travel. Prior to COVID-19, the process for obtaining visas and passports was already strained. Now, the processing time is significantly longer. GBTA is getting member reports of visa appointment availability in some countries stretching into mid-2022. Passport-enabling companies are reporting the Department of State's standard processing and delivery time for passports has tripled from a pre-COVID estimated six weeks to about four months now. Processing and delivery for expedited passports has gone up six-fold, from two weeks to about three months.

So, we would urge the administration to expedite visa and passport processing times, so that as business travelers return to travel and return to business, they can have the proper documentation.

Visa adjudication is necessary, and the language included in the Omnibus Tourism Act is necessary to improve a system in desperate need.

As we look ahead, the business travel industry is still recovering, and will be for the near future. That is why it is so important that government and business work together to end the pandemic and to increase vaccination uptake.

But one thing we do know—it's time that we get back to travel, safely and responsibly.

And while we acknowledge that virtual meetings will likely forever have a place in the business world, every business leader I have spoken to in the past several months also acknowledges there is a great deal getting missed by not being able to hold face-to-face meetings for the most important kinds of discussions and relationship building opportunities.

Business travel matters—for economic, cultural, business and government prosperity going forward.

Senator ROSEN. Thank you again, Ms. Neufang. We appreciate you being here, as well.

Our next witness testifying remotely is Christopher Bidwell, Senior Vice President of Security at Airports Council International—North America, ACINA.

Mr. Bidwell leads ACINA's efforts on aviation security, oversees its regulatory activities, and is a subject matter expert on security policy, domestic and international aviation security, and airport regulation.

He serves on several working groups and committees, including the TSA Aviation Security Advisory Committee where he is vice chair.

Mr. Bidwell is also a multi-engine instrument-rated commercial pilot.

Mr. Bidwell, you're now recognized for your opening remarks.

**STATEMENT OF CHRISTOPHER R. BIDWELL,
SENIOR VICE PRESIDENT OF SECURITY,
AIRPORTS COUNCIL INTERNATIONAL—NORTH AMERICA**

Mr. BIDWELL. Thank you, Chair Rosen and Ranking Member Scott and Members of the Subcommittee.

I'm Christopher Bidwell, Senior Vice President of Security at Airports Council International—North America. I appreciate the invitation to participate in today's hearing.

ACINA and our member airports greatly appreciate the subcommittee's interest in restoring safe and healthy travel to destinations throughout the United States.

While there is an uptick in passenger volumes at airports this summer, the extended duration of the global pandemic coupled with the rise in the Delta variant has again caused our numbers to dip well below 2019 levels.

We are experiencing a downturn in leisure travel, a delay in the return of business travel, and the continued closure of our international borders.

As we look for ways to emerge from this crisis, I would like to offer the following policy solutions that would greatly assist the travel and tourism industry as we head toward a recovery.

First, the most fundamental step the U.S. Government can take is reopening our borders to international travel. America's airports applaud the Biden Administration's announcement to allow fully vaccinated passengers to travel to the United States. This latest step responds to our request for a plan to restore international travel which is critical to the aviation industry's economic recovery. We look forward to working with our government and industry partners to ensure a smooth implementation.

Second, in order to keep security checkpoints and Federal inspection stations open, operational and safe, Congress must ensure there is a sufficient number of CDP and TSA officers as well as technology to support the return of international travel.

We must avoid the long lines at checkpoints that create security vulnerabilities and minimize the potential for passengers and baggage to miss their connecting flights.

Third, several provisions contained in the draft of the Omnibus Travel and Tourism Act would have a direct benefit to airports and the travel and tourism industry. We appreciate the inclusion of the Ensuring Health and Safety in the Skies Act which ACINA strongly supports. A task force of Federal agencies advised by Federal aviation industry partners would be very helpful in developing meaningful guidelines and developing recommendations to address the challenging operational and infrastructure issues related to COVID-19 recovery and future pandemic planning.

We also appreciate the inclusion of a TSA pilot program for one-stop security for international passengers connecting to domestic flights in the United States. ACINA has been a long supporter of one-stop security.

Additionally, we appreciate the inclusion of provisions designed to raise the profile of travel and tourism industry within the U.S. Government and to increase participation in trusted traveler programs.

Although there may be some benefit from cross-training TSA canines to detect COVID-19, taking TSA canines offline for new training and certification could reduce the time they are available to screen passengers and baggage for explosives. This raises potential security concerns.

We encourage Congress and TSA to use the findings from a recently launched K-9 COVID-19 Detection Pilot at Miami International Airport to inform any similar program at TSA.

Finally, one thing that has not changed during the pandemic: our airports continue to face substantial infrastructure needs. In addition to creating jobs, new investment in airports can help local communities attract air service which increases competition and leads to lower air fares for passengers.

We sincerely appreciate the \$20 billion in airport infrastructure funding included in the Senate's bipartisan Infrastructure Bill. This one-time infusion of capital will help jumpstart new projects at airports. However, given the \$115 billion in infrastructure needs at airports that as documented in ACNI's Infrastructure Report, Congress must find new ways to ensure funding for these much-needed improvement projects.

Airports are leading economic engines in their communities and an integral part of the travel and tourism industry. ACI-NA and our member airports will continue to work with the Subcommittee and our government and industry partners to weather this crisis so we can get Americans and international passengers traveling again through an aviation system that is stronger, safer, more secure, and more resilient than ever.

Thank you for this opportunity today. I welcome your questions.
[The prepared statement of Mr. Bidwell follows:]

PREPARED STATEMENT OF CHRISTOPHER R. BIDWELL, SENIOR VICE PRESIDENT OF
SECURITY, AIRPORTS COUNCIL INTERNATIONAL—NORTH AMERICA

Thank you, Chair Rosen and Ranking Member Scott, for inviting me to participate in today's hearing. I am Christopher Bidwell, Senior Vice President of Security at Airports Council International—North America (ACI-NA), the trade association representing the local, regional, and state governing bodies that own and operate airports in the United States and Canada. I appreciate this opportunity to speak with you about the current state of the travel and tourism industry, particularly as it relates to instilling public confidence in air travel, enhancing security, and setting a solid foundation for the future of aviation.

As we continue to navigate these unprecedented times, U.S. airports are very grateful for the \$20 billion in COVID-relief support provided by Congress, which has truly been a lifeline for airports across the country. The COVID-relief grants are helping airports offset some of the financial damage from the abrupt, unexpected drop in air travel over the past 18 months, and will help airports prepare for more travelers to take to the skies in the months and years ahead.

Since the beginning of the pandemic, airports have been intensely focused on providing for the health and safety of their passengers, employees, and tenants. Airports have increased cleaning of public areas, checkpoints and restrooms; added more hand sanitizing stations for passengers and employees; installed plexiglass barriers in passenger-facing areas; procured additional cleaning supplies and personal protective equipment; upgraded HVAC systems; and implemented physical distancing measures.

We also continue to coordinate closely with the Federal Aviation Administration (FAA), Transportation Security Administration (TSA), Customs and Border Protection (CBP), Centers for Disease Control and Prevention (CDC), and others on recovery efforts, regulatory guidance, and flexibility on regulatory requirements that are crucial in helping airports remain operational while ensuring the safety, security, and health of the traveling public. Of particular importance is our stakeholder co-

ordination role to ensure the consistency of messaging, which is critical to instilling passenger confidence. I want to commend the agency leaders for partnering with ACI-NA and our member airports on these important efforts.

While there was a healthy uptick in passenger volumes at airports this summer, the extended duration of the global pandemic, coupled with the rise of the Delta variant, has caused our numbers to again dip well below 2019 levels as we experience a downturn in leisure travel, a further delay in the return of business travelers, and the continued closure of our international borders. ACI-NA and our airport members greatly appreciate this subcommittee's interest in restoring safe and healthy travel to destinations throughout the United States. I would like to offer the following Federal policy solutions that we feel would greatly assist the travel and tourism industry as we head towards recovery.

First, the most fundamental step the U.S. government could take to assist the travel and tourism industry would be reopening our borders to international travel. Many other countries, including neighboring Canada, have already devised ways to safely open their borders, and it is time for the United States to do the same. Press reports indicate the White House is developing new processes and procedures for international travelers to follow that will eventually replace the current travel restrictions. We hope the White House moves swiftly to put these new protocols in place, and we encourage the Federal agencies to coordinate with industry to ensure a quick and smooth implementation of the new measures.

Second, once international travel resumes Congress must ensure there are sufficient numbers of CBP officers, TSA officers, and technology in place to keep security checkpoints and Federal inspection stations open, operational, and safe. Long passenger queues create security vulnerabilities associated with large groups of people congregating in public areas. In addition, there is the potential for misconnecting checked baggage and passengers who miss their intended flights.

Particularly for international travel, we recommend directing additional resources towards retaining and hiring additional CBP officers at the ports-of-entry and fully implementing the biometric entry-exit program. CBP user fees have decreased tremendously during this pandemic, which has put a huge hole in the agency's budget, both this year and next. ACI-NA remains at the forefront of a diverse coalition of industry stakeholders who support improving travel and trade facilitation through CBP ports-of-entry. The coalition—which includes leading voices from various shipping, tourism, travel, trade, law enforcement, and employee groups—continues to push for adequate funding to support the existing CBP workforce and to help it grow to meet future travel and trade demands.

Airports also are working with stakeholders in their facilities—including Federal agencies, airlines, and tenants—to develop “touchless” aviation security screening processes that provide enhanced security, lower false alarms, and adequate physical distancing for passengers and baggage moving through TSA checkpoints and CBP ports-of-entry. In order to further enhance security and provide for the health of the traveling public, we recommend additional funding for TSA to procure and deploy Credential Authentication Technology with a camera, enhanced Advanced Imaging Technology, and Computed Tomography at security checkpoints. These technologies increase security effectiveness and reduce false alarms and touch points, while maintaining physical distancing.

To achieve these workforce and equipment goals, we recommend finally ending the diversion of user fees designed to enhance security. Each year billions of dollars in both TSA and CBP user fees are needlessly diverted from their intended purpose to subsidize other Federal programs. In this time of national emergency, it is critical to stop these budgetary gimmicks, end the fee diversion, and ensure the revenue is restored to its intended use of funding and enhancing crucial aviation security programs.

Third, even while in the midst of the pandemic, Congress should prepare for the future of travel. Several provisions contained in the draft of the Omnibus Travel and Tourism Act would have a direct benefit to airports and the greater travel and tourism industry.

We appreciate that the draft legislation includes the Ensuring Health Safety in the Skies Act, which passed the Senate unanimously last year. ACI-NA strongly supports this provision. A task force of Federal agencies—advised by aviation industry partners—would be very helpful in developing meaningful guidelines and recommendations to address the challenging operational and infrastructure issues related to COVID-19 recovery and future pandemic planning.

We also appreciate that the draft contains a TSA pilot program for one-stop security, through which international passengers and their baggage from up to 10 locations would not need to be re-screened by TSA upon arrival in the United States prior to boarding their domestic connecting flight if the last point of departure air-

port has a commensurate level of security as the United States. Canada has successfully implemented a similar program for its international connections, and ACI-NA has long supported the United States establishing its own program.

Additionally, we appreciate that the draft contains provisions designed to raise the profile of the travel and tourism industry within the U.S. government, particularly by having officials within the Departments of Commerce and Transportation coordinate and advocate for policies that would expand travel and tourism opportunities both domestically and internationally. Restoring Brand USA and exploring ways to increase participation in Trusted Traveler programs would also benefit the travel and tourism industry.

And while there may be some benefit from cross-training TSA canines to detect for COVID-19, as included in the draft legislation, we want to ensure these highly trained dogs are available for their primary function of screening passengers and their baggage for explosives. Taking any dogs off-line for retraining, certification, or additional breaks could reduce the time they are available at screening checkpoints. This raises potential security concerns and may increase passenger wait times. We recommend Congress and the TSA use the findings from a recently launched COVID-19 detection canine pilot at Miami International Airport to inform any similar program initiated by the TSA.

Finally, one thing has not changed during the pandemic: our airports continue to face substantial infrastructure needs. As travelers begin to return to America's airports, inadequate airport infrastructure that fails to meet the growing needs of local businesses and tourists puts in jeopardy the economic recovery of American cities, states, and regions. In addition to creating jobs, new investments in airports can be valuable tools in helping local communities attract air service, which increases competition and leads to lower airfares for passengers. Airports need additional resources to build the terminals, gates, checkpoints, and ramp areas necessary to attract new air carriers and entice existing ones to expand service. The traveling public gets more choices and lower airfares when airports can build the facilities that provide more airline options and more service alternatives.

In March 2021, ACI-NA *released an updated infrastructure needs report* detailing the more than \$115 billion in infrastructure needs across the national airport system over the next five years. Since this survey was conducted during the pandemic last summer, it does not fully account for all of the new public health-related infrastructure upgrades airports need to make, such as future HVAC improvements to provide airports the ability to keep up with developing air quality technology, additional space for physical distancing near gates, and touchless technology to assist passengers through the airport. Coupled with a current debt burden of nearly \$90 billion from past projects, the report clearly shows that our airports are falling further behind in their efforts to upgrade their facilities and improve the overall experience for their passengers.

We greatly appreciate the \$20 billion in airport-infrastructure funding included in the Senate's bipartisan infrastructure bill. This one-time infusion of capital will help jumpstart new projects at airports around the country. Given the \$115 billion in infrastructure needs across the system, though, Congress must find new ways to ensure continuity in funding more of these much-needed improvement projects once the new Federal funding has been exhausted.

As leading economic engines in their communities, airports are an integral part of the overall travel and tourism industry. ACI-NA and our member airports will continue to work together with our government and industry partners to weather this current crisis so we can get Americans and international passengers traveling again through an aviation system that is stronger, safer, more secure, and more resilient than ever.

Thank you for this opportunity today. I welcome your questions.

Senator ROSEN. Well, thank you, Mr. Bidwell. Again, we appreciate you being here.

Now rounding out our panel, I'd like to introduce our final witness testifying in person today and so thankfully, sir, because when you do all this traveling, you need somewhere to stay and so, Mr. Chirag Shah, Senior Vice President of Government Affairs at the American Hotel and Lodging Association, AHLA.

Mr. Shah assumed his role at AHLA in March of this year, a critical time for the hospitality industry. Prior to joining AHLA, Mr. Shah served as Vice President of Government Affairs and Counsel

at the Asian American Hotel Owners Association. He's also a member of the Boards of the U.S. Travel Association, the California Hotel and Lodging Association, the Pennsylvania Restaurant and Lodging Association, the Florida Restaurant and Lodging Association, the South Carolina Restaurant and Lodging Association, the Coalition of Franchisee Associations, and the Georgia Statewide Human Trafficking Task Force.

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

**STATEMENT OF CHIRAG SHAH,
SENIOR VICE PRESIDENT OF FEDERAL AFFAIRS,
AMERICAN HOTEL AND LODGING ASSOCIATION**

Mr. SHAH. Thank you for the opportunity to testify today. I look forward to sharing with you the hotel industry's perspective on how to revive travel and tourism and bring back our workforce in response to COVID-19.

My name is Chirag Shah. I serve as Senior Vice President at the American Hotel and Lodging Association and for more than a hundred years AHLA has proudly represented all segments of the U.S. lodging industry, including our associates, brands, and hotel owners.

For our members what matters most is serving their guests, creating good jobs, and uplifting their communities.

Senators, this is the most severe crisis in the history of the hotel industry. Without relief, we are facing catastrophic economic impacts for the entire American economy and for the communities that you represent.

Here's the snapshot. Because of historically low occupancy rates, business declines are not only worse than the Great Recession, they're also worse than the Great Depression. Hotel revenues are nine times worse than after 9/11 and the industry lost over 700,000 jobs in 2020.

As vaccinations became available and summer arrived, we were hopeful for a rebound but the uptick in travel did not last. The Delta variant is wreaking havoc. Now over two-thirds of business travelers and half of all leisure travelers are postponing or canceling their trips. The decline in business travel alone amounts to half of all revenues and will cost the hotel industry nearly \$59 billion. Revenues will be down 50 percent and hotels will lose \$97 billion in 2021 alone.

Hotels are now bracing for another wave of hardship and staff reductions and the worse effects are in big cities that employ the majority of our workforce and rely on conventions and events.

Just last week urban market hotels were down more than 40 percent in revenue compared to 2019. Our industry will not recover until 2024.

The pandemic has also been devastating to the hotel work force. 500,000 jobs that existed before the pandemic will not return this year. The data is stark compared to the rest of the national economy. While overall unemployment dropped to 5.2 percent in August, the accommodations sector remained at 14.5 percent, nearly three times the national average. The pandemic has eliminated a decade of job growth in the hotel industry.

Our industry is also experiencing a critical staffing shortage. Many laid-off and furloughed employees found other jobs or moved away last year. As hoteliers seek to rebuild, they cannot find enough workers despite increasing compensation and offering additional benefits. Needing staff while also enduring historically low occupancy rates is one of the cruel ironies inflicted by this pandemic.

The road to recovery for our industry remains long. However, successful efforts in Congress to restore travel and tourism will be a catalyst for expansive economic development. We're grateful for this committee's efforts on the Omnibus Tourism Act or the Tour Bus which will provide vital funding for infrastructure for our beleaguered economy as we continue toward recovery.

Visit America will bring back international visitors. In 2020, international travel fell by 76 percent and we welcome Congress' goal to see a 116 million visitors who spend \$445 billion per year by 2032. This sends a message that America will be open for business when travel returns.

The bill also establishes a new Assistant Secretary of Commerce for Travel and Tourism. As a Presidential appointee requiring Senate confirmation, the role will command considerable authority to promote travel and tourism, develop critical infrastructure, and marshal resources.

The Tour Bus will also enable Brand USA to access \$250 million previously collected for American travel promotion and this discussion could not come at a more appropriate time with the Biden Administration's announcement just yesterday easing travel restrictions for overseas travelers beginning this November.

Marketing is the greatest tool to reclaim America's share of travelers and a strong Brand USA will re-establish the United States as a premier travel destination and shorten the time for our recovery.

We also appreciate the foresight for streamlining security protocols for air travelers and limiting burdens and easing the travel experience. This will put more heads in beds at America's hotels.

In addition to the important measures included in the Tour Bus, we urge support of direct relief for the lodging industry. Despite being the hardest hit by the crisis, hotels are the only segment of the hospitality sector yet to receive direct COVID-related aid. The Save Hotels Jobs Act will provide 3 months of payroll and benefits for the most severely impacted hotels.

Congress can also significantly jumpstart travel by passing the Hospitality and Commerce Job Recovery Act. Tax incentives will motivate businesses to contract for conventions, trade shows, and large group events which often take nearly a year to plan. Passage of this bill would drive travel demand and support millions of jobs and small businesses.

Chair Rosen and Ranking Member Scott, thank you for the opportunity to share the impact of COVID-19 on the hotel industry with you today.

Congress can take significant action to accelerate the recovery and soften the scars left by the pandemic. America's hotel industry looks forward to working with you to revive travel and tourism together.

Thank you for your leadership.
[The prepared statement of Mr. Shah follows:]

PREPARED STATEMENT OF CHIRAG SHAH, SENIOR VICE PRESIDENT, FEDERAL AFFAIRS
& POLICY COUNSEL, AMERICAN HOTEL & LODGING ASSOCIATION (AHLA)

I. Introduction

Chairwoman Rosen, Ranking Member Scott, and Members of the Senate Commerce Committee Subcommittee on Tourism, Trade and Export Promotion, I want to thank you for the opportunity to testify before you today and to share with you the hotel industry's perspective on how to revive travel and tourism and bring back our workforce in response to the COVID-19 Pandemic.

I look forward to a thoughtful discussion about the legislative proposals currently before Congress, including the draft Omnibus Tourism Act of 2021, which can help the broader travel industry regain international and domestic market share through innovative policies and strategies.

My name is Chirag Shah and I serve as the Senior Vice President of Federal Affairs and Policy Counsel at the American Hotel & Lodging Association (AHLA). For more than 100 years AHLA has proudly represented all segments of the U.S. lodging industry including our 2.3 million associates, iconic global brands, hotel owners, REITs, franchisees, management companies, independent properties, bed and breakfasts, state hotel associations, and industry suppliers.

The hotel sector is also a proud majority minority-owned industry, as more than half of the hotels in the United States are minority owned. Moreover, 90 percent of all hotels in the United States are franchised properties, with a majority owned by small business owners. The hotel franchise model has paved the way for small business entrepreneurship for tens of thousands of immigrants, women, and people of color to achieve the American dream. AHLA advocates for our members in Washington, DC, and in state capitals across the country so our members can continue doing what matters most: serving guests, creating jobs, and uplifting their communities.

II. Economic Impact of the COVID-19 Pandemic on the Hotel Industry

The lodging industry is still struggling to recover from the health and economic crisis caused by COVID-19 and subsequent variants. Hotels have suffered unprecedented devastation over the past eighteen months, with business declines not only worse than those seen in the Great Recession, but worse than the Great Depression. The impacts on hotel revenues were nine times worse than those we saw after 9/11.¹ Hotels across the country were forced to reduce operations or shutter, leading to a loss of more than 700,000 jobs in 2020. Through no fault of their own and in an effort to follow an ever-changing landscape of Federal and local guidance, hoteliers who previously thrived are now facing, by far, the worst financial and employment crisis in the history of the hotel industry because of COVID-19.

While over the summer it appeared that there was light at the end of the tunnel, the last month has seen a return to a challenging outlook for the future. According to a recent Morning Consult poll, two-thirds of business travelers² and more than half of leisure travelers³ are now postponing and/or canceling trips concurrent to the rise in COVID-19 cases. With the Delta variant wreaking havoc, hotels are now bracing for another wave of hardship and staff reductions. Leisure travel season is ending and a lack of business travel and group meetings (which make up the majority of hotel revenues in a normal year) this fall and winter will devastate an industry still reeling from the depths of the pandemic.

Hotel revenues are projected to remain down more than 50 percent in 2021 and will not recover before 2024. The lack of business travel alone this year will cost the hotel industry nearly \$59 billion⁴ and overall, it is estimated hotels will lose \$97 billion in 2021. Nationwide, occupancies are declining rapidly as Delta variant concerns increase and critical meetings and business travel, as well as international visitors, fail to materialize. This issue is particularly acute in the major markets and cities that employ the vast majority of our workforce and are disproportionately reliant on these types of travelers. Last week, urban market hotels were down more

¹ https://www.ahla.com/sites/default/files/FACT%20SHEET_COVID19%20Impact%20on%20Hotel%20Industry_4.22.20_updated.pdf

² <https://www.ahla.com/sites/default/files/Business%20Travel%20One%20Pager%208.25.21.pdf>

³ <https://www.ahla.com/sites/default/files/Leisure%20Travel%20One%20Pager.pdf>

⁴ <https://www.ahla.com/sites/default/files/Business%20Travel%20State%20by%20State%20Data%20One%20Pager%209-13.pdf>

than 40 percent in revenue compared to 2019, according to STR,⁵ and we expect these figures to worsen through the rest of the year.

III. Economic Impact of COVID-19 on the Lodging Workforce

The pandemic has also been particularly devastating to the hotel workforce, as the recovery for America's hotels remains uneven. Industry experts estimate nearly 500,000 hotel jobs that existed pre-pandemic will fail to return this year.⁶ The data is stark compared to the rest of the national economy. While overall unemployment dropped to 5.2 percent in August, according to the Bureau of Labor Statistics (BLS), the accommodations sector remained at 14.5 percent, nearly three times the national average. The pandemic has eliminated a decade of hotel job growth over the past eighteen months. Leisure and hospitality account for 37 percent of all jobs lost since the onset of the pandemic—more than any other sector, and hotels are not projected to return to pre-pandemic levels until 2024, at the earliest. These data dramatically illustrate the peril in which the hotel industry remains with the uncertainty of international visitors, lack of business travel, and continued workforce challenges.

Hospitality for Hope

America's hoteliers have answered the call to serve their communities, even as their own livelihoods remain endangered. The hotel workforce is widely considered family. Hoteliers have had to make heartbreaking personnel decisions in order to keep their businesses from closing. Still, many hoteliers maintained payroll and benefits, and provided their employees with resources during the worst of the pandemic when occupancy rates hit historic lows. Throughout the country, and in the spirit of AHLA's "Hospitality for Hope" program, hoteliers opened their doors to medical workers and first responders, offered rooms to hospital staff in isolation to protect loved ones, and established special areas for frontline workers to rest and receive support.

Hotels are pillars of our communities and have long invested in the people they serve. The lodging industry was proud to be among the first to voluntarily support those serving on the front lines of this public health emergency by partnering with federal, state, and local governments to offer over 17,000 rooms to healthcare workers and first responders through Hospitality for Hope. As employers, taxpayers and neighbors, hoteliers are proud to be an integral part of communities across America and are committed to strengthening and growing them together.

Hotels are Hiring

Concurrent to weathering the worst economic crisis in history for the lodging industry, hoteliers are also faced with a critical staffing shortage. Many laid-off and furloughed employees found other jobs or moved away during the most severe portions of the pandemic. Now as hoteliers seek to rebuild, it remains a challenge to find enough workers to fully staff hotels across the country. Hoteliers struggled to staff up during the short-lived summer leisure travel recovery and remain short of employees to properly serve even the relatively limited numbers of guests travelling through the rest of the year. The juxtaposition of needing staff while simultaneously enduring historically low occupancy rates is one of the cruel ironies inflicted by the pandemic. Nevertheless, the lodging industry has risen to again put its workers first. According to an AHLA survey, hoteliers are offering significant, new benefits including higher average hourly wages, increased scheduling flexibility, and more healthcare benefits. The hotel industry provides workers not simply a job, but a pathway to a fulfilling career. AHLA's "Hotels are Hiring" campaign demonstrates the commitment to retaining and educating individuals for rewarding careers in a vibrant field.

To help hotel associates advance in their careers, the AHLA Foundation awards over \$1 million academic and professional development scholarships each year. The Foundation also offers two federally registered apprenticeship programs, which combine on-the-job learning with related education to help employees earn a fast-track to a raise and promotions and works with more than 70 affiliated schools to create opportunities for advancement. The lodging industry remains committed to its workforce, especially during this bleak time. The industry's leading advocacy initiatives including the Save Hotel Jobs Act and expanding the Employee Retention Tax Credit are exclusively for the benefit of hotel workers. We are grateful for the emphasis

⁵ <https://str.com/press-release/str-us-hotel-results-week-ending-11-september>

⁶ https://www.ahla.com/sites/default/files/Fact%20Sheet_2021%20State%20COVID19%20Impact.pdf

on workforce development in the Tour Bus legislation and look forward to working with this committee to help rebuild and revive the lodging workforce.

Safe Stay

In the early months of the pandemic, AHLA quickly mobilized the lodging industry and launched “Safe Stay,” an initiative focused on enhanced hotel cleaning practices, social interactions, and workplace protocols to meet the health and safety challenges and expectations presented by COVID-19. Representatives from all segments of the lodging industry collaborate on the Safe Stay program to ensure guests and employees are confident in the cleanliness and safety of America’s hotels. Even as the industry experiences exceptional distress to business, we remain committed to protecting the people who stay and work in America’s hotels. The industry best practices include enhanced cleaning standards throughout the hotel complex, superior cleaning products, social distancing practices, and regular updates to ensure the industry remains current with CDC and local guidelines. The industry rose to the challenge to face the public health crisis and will continue to lead on health and safety protocols to ensure peace of mind for guests and employees.

IV. Legislative Solutions to Revive the Travel and Tourism Industry

The nearly 60,000 hotels across the country are considerable drivers of the national economy. Prior to the pandemic, the lodging industry provided \$660 billion annually to the GDP and \$186 billion in federal, state, and local taxes. Hotels also supported 8.3 million American jobs, accounting for nearly \$100 billion in payroll and benefits.⁷ Notably, the vast majority of the hotels in the United States are incorporated as small businesses which contribute extensively to their local communities. The road to recovery for our industry remains long; however, successful efforts in Congress to restore travel and tourism will be a catalyst for widespread economic development, business growth, and the revival of our workforce. We urge Congress’s support of the measures below.

Omnibus Tourism Act of 2021

As a result of the devastation our industry continues to endure, we are grateful for this committee’s efforts on the Omnibus Tourism Act. The so-called “Tour Bus” would provide vital funding and infrastructure to our beleaguered industry as we continue towards recovery. This discussion comes at a particularly important time for America’s hotels as the impacts from the pandemic, the renewed crisis from the Delta variant, and traditional slow seasons during the winter months are converging to compound the economic crisis facing hoteliers, employees, and local communities.

Visit America

We appreciate the Committee’s inclusion of the Visit America Act in the Tour Bus, a crucial measure to support travel and tourism within the United States and to promote America as a destination for international visitors. Visit America provides a strategic vision for the sector in the larger American economy and establishes ambitious, but achievable metrics to accelerate economic development in the wake of the pandemic.

International visitors are foundational to the travel industry. Unfortunately, the necessary safety measures enacted to prevent outbreaks and to avoid overwhelming health systems caused the near shutdown of all international travel to the United States. In 2020, international travel fell by 76 percent, resulting in the loss of \$60 billion dollars in economic output.⁸

We welcome Congress’s recommendation of specific benchmarks for international visitors and travel export dollars to reclaim economic losses and build back a better tourism framework for the country. Striving for 116 million visitors who spend \$445 billion per year by 2032 sends an significant message to the international community and to domestic businesses that America is eager to welcome guests and will be open for business when travel resumes. Moreover, Visit America supports these bold goals with a strategic plan to accomplish them. The bill establishes a senior leadership position in the U.S. Department of Commerce and enumerates standards for incremental growth and stakeholder consultation. As a presidential appointee requiring Senate confirmation, the new Assistant Secretary of Commerce for Travel and Tourism will command considerable authority to promote travel and tourism, develop critical infrastructure, and marshal resources. As one of the leading drivers of economic development in the United States, travel and tourism needs a dedicated

⁷ <https://www.ahla.com/sites/default/files/oxford2019.pdf>

⁸ https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_Industry-Table.pdf

advocate to streamline processes, collect and analyze data, support the industry workforce, and facilitate growth of the sector. We welcome the Committee's foresight in creating this new position.

Accordingly, Visit America reinforces national travel and tourism strategy by charging the Commerce Department, through consultation with the U.S. Travel and Tourism Advisory Board and Tourism Policy Counsel to submit a ten-year growth strategy to identify goals and necessary resources to achieve them. The plan will not only consider recommendations on recovery from COVID-19, but also a long-term vision for continued economic development within the sector.

Restoring Brand USA

Brand USA was created by Congress in 2010 as a public-private partnership to promote international travel to the United States. Since 2013, Brand USA's marketing efforts have resulted in more than 7.7 million visitors to the United States who spent \$25 billion and created \$56 billion in total economic impact. Brand USA has been directly responsible for over \$7 billion in federal, state, and local taxes over the past eight years, and supported 45,000 incremental jobs each year.⁹ Brand USA has long enjoyed wide bipartisan support, in part because for every dollar spent on the program, the United States receives an incredible \$25 return on the investment. Brand USA's funding includes a modest collection of fees from international travelers. As a result of the pandemic and accompanying limitations on international travel, the program was unable to employ these resources to market the United States abroad. The Tour Bus will enable Brand USA to access \$250 million in unobligated funds collected for American travel promotion. Marketing is the greatest tool to reclaim America's share of travelers. Providing Brand USA with adequate resources to accomplish its goals will reestablish the United States as a premier travel destination and shorten the time for recovery.

Study and Report on the Effects of COVID-19 on the Travel and Tourism Industry

Since the pandemic began, economists have projected a long road to recovery for our industry. The Study and Report on the Effects of COVID-19 on the Travel and Tourism Industry in the United States will be central to highlighting the trends and impacts of the health and economic distress caused by this unprecedented crisis. Importantly, the study will provide context to policymakers of effects on the various segments that comprise our industry from international and domestic travel to the industry workforce, and influences on regional economies. Most critically, the study will also provide recommendations for promoting and assisting our industry's recovery. We applaud this Committee's emphasis on forward-looking, data-driven policy solutions in preparation for attracting guests to our hotels when it is safe for travelers to return.

Pilot Program for One-Stop Security

Although otherwise devastating, a national crisis can provide the opportunity to evaluate and reconfigure processes to enhance previously well-established systems. One such opportunity is in streamlining security protocols for air travelers by limiting screening burdens and easing the travel experience. The Tour Bus creates a pilot program for one-stop security screening for travelers departing from foreign airports whose final destination or connection is within the United States. The program contemplates extensive security protocols in coordination with several U.S. agencies and participating countries, and limits access to other international passengers and checked luggage. If successful, the pilot program would save time and ensure a more pleasant travel experience for international guests and encourage return visits—ultimately resulting in more heads in beds at American hotels.

The Save Hotel Jobs Act

In addition to the important measures included in the Tour Bus, we urge support of direct relief to the lodging industry workforce. Despite being among the industries hardest hit by the crisis, hotels are the only segment of the hospitality and leisure sector yet to receive direct COVID-related aid. The Save Hotel Jobs Act would create a bridge for our distressed sector by providing payroll and benefits assistance for our employees until hotel guests return and the travel sector begins to experience a more even recovery. The bill provides grants to hotels that can demonstrate a loss of at least 40 percent of gross receipts during a three-month period in 2020, compared to the same period in 2019. All grant funds support hotel workers and must be used exclusively on payroll and benefits including wages, leave, healthcare plan expenses, retirement, and payroll taxes.

⁹<https://www.thebrandusa.com/resources/roi-study>

The relative uptick in leisure business during the traditional summer travel season was not enough to jumpstart the industry after eighteen months of devastation. The road to recovery for the hotel industry remains long and uneven, with occupancies dropping rapidly across the country. The 25 largest hotel markets are still down 22 percent in revenue, a figure worsening by the week. The hotel industry generates 53 percent of its revenue from business travel and events in typical years. According to a recent Deloitte survey,¹⁰ corporate travel is projected to remain at only 30 percent of 2019 levels through the end of 2021. This lack of business travel will cost the hotel industry an estimated \$59 billion in 2021 alone. AHLA is proud to have joined with UNITE HERE, the largest hospitality workers union in North America, to call on Congress to pass this bill focused on saving hotel jobs. We urge Congress to support this key bipartisan legislation to prevent permanent job losses and keep hotel employees on payroll.

Hospitality and Commerce Job Recovery Act

Congress can also take significant action to jumpstart the travel and tourism industry through passage of the Hospitality and Commerce Job Recovery Act (HCJRA). Hotels are projected to lose nearly \$60 billion in business travel revenue this year and two-thirds of business travelers are currently cancelling or postponing future trips due to the Delta variant. With these trends and the impact of restrictions on both foreign and domestic travel, it is essential that Congress act to encourage business travel and meetings once the situation with the virus improves.

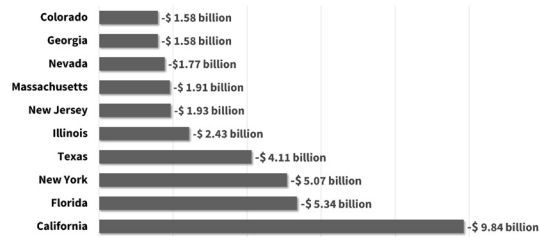
The HCJRA provides tax incentives to motivate businesses to contract for conventions, trade shows, and large group events which often take nearly a year of lead time and planning. As mentioned above, widespread cancellations of business travel and the continued distress of urban markets dependent on group business illustrate the immediate challenges facing this sector. Tax credits designed to foster planning for meetings and events will position the American economy to rebound swiftly once localities fully reopen. The HCJRA will help to drive travel demand and support millions of jobs and small businesses in local communities.

IV. Conclusion

America's tourism industry remains resilient and will ultimately overcome this economic crisis. While increasing the vaccination rate is the single most critical action necessary to defeat the pandemic, Congressional action can accelerate the recovery and soften the economic scars left by COVID-19. The lodging industry is grateful to Chairwoman Rosen and Ranking Member Scott for facilitating this important discussion on how to best position the United States to receive international visitors and bolster domestic travel when our Nation prevails over COVID-19. Each of you knows firsthand the importance of travel and tourism from your personal interactions with hoteliers in your home states. You have seen how the pandemic has ravaged our industry and sown considerable uncertainty for travelers, small businesses, and hotel workers. With the leadership of this committee, and the tools you have established in the Omnibus Tourism Act, we are confident the U.S. travel and tourism industry, and America's hotels will survive this crisis and ultimately thrive once again. Thank you for the opportunity to share the perspective of the hotel and lodging industry. We look forward to working with you and your staffs to restore travel and tourism in the United States.

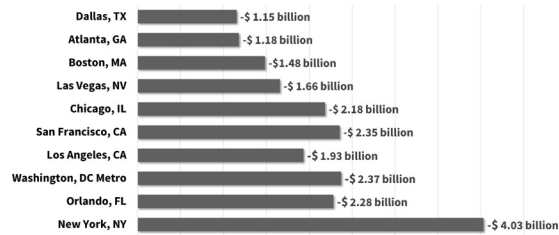
¹⁰<https://www2.deloitte.com/us/en/insights/focus/transportation/future-of-business-travel-post-covid.html?id=us:2el:3pr:4di7303:5awa::MMDDYY:&pkid=1007740>

**TOP TEN STATES WITH HIGHEST
PROJECTED 2021 BUSINESS TRAVEL LOSS**



Source: AHLA and Kalbert Labs

**TOP TEN MARKETS WITH HIGHEST
PROJECTED 2021 BUSINESS TRAVEL LOSS**



Source: AHLA and Kalbert Labs



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

I'm now going to defer to the Ranking Member of our Full Committee, Senator WICKER, for his first round of questioning.

Senator WICKER. Well, thank you very much, Madam Chair, and you're right, the testimony has been very helpful and very good. I appreciate it.

I think I'll start with Ms. Neufang because I know if my colleagues have experienced what we have in our office, there's this huge problem with the delay in passports and visas.

So I appreciate Ms. Neufang mentioning this on Page 3 of her testimony where she mentions visas and by extension passports are vital and I just wondered if you, Ms. Neufang, or any other members of the panel can pinpoint—I know this was already slow—but now it has gotten slower even as we've had fewer tourists.

So why is that? Is it that people are working from home? Is it less convenient to do it that way? Would it be better if we got them back to the offices? I just would appreciate some assistance in understanding why at a time when there are fewer applicants the process for passports and visas is slower. You want to start, Ms. Neufang?

Ms. NEUFANG. Yes. Thank you, Senator Wicker.

So our view is that part of the problem is that the Hand-Carry Program has been shuttered indefinitely and for business travelers especially this is important and it didn't make sense even after passport services were resumed last summer. So this is the program used by U.S. business travelers who need to obtain passports quickly.

So based on historical application data and the shortfall of applications received in 2020 due to the global COVID shutdown and travel restrictions, not only is there a lag now, but there is also an anticipation of some 30 million more passport applications coming between now and the end of the year, and we expect 30 percent of those to actually be business travelers.

So we ask that Congress work with the State Department to resume that program of hand-carry, to work with passport service companies to solve some of that backlog within the Passport Development and Delivery Program.

Senator WICKER. That takes nothing more than a decision by the department, is that correct? Is that your understanding?

Ms. NEUFANG. That would be my understanding, but I would love the feedback of the committee and other witnesses, as well, for that, but that is my understanding.

Senator WICKER. Anyone else want to weigh in on that question?

Ms. BARNES. Senator, this is Tori Barnes with U.S. Travel. I would just also note that with regard to the visa processing, the consulate offices across the globe have largely been closed and that's been a negative contributing factor to the processing of visas, as well.

So we'd love to see a reopening of those and an expedition of the visas, because if we don't start now, as we start to welcome these international travelers back in in November, we're going to have a lot of challenges in actually getting those folks here to the United

States. So we would urge a quick expedition of those visas with regards to the State Department now.

Senator WICKER. OK. And I certainly hope that people are listening in the State Department to that.

While we've got you, you want to talk about how helpful the One-Stop Security Program would be and how it would not sacrifice safety protocols at all?

Ms. BARNES. Sure. So the pilot program would allow for not more than 10 airports to be able to have a system in place to at least pilot the safe seamless type of environment for baggage.

Right now, when you're coming from Paris to Dulles International, you would have to check your luggage and if you're going on to Kansas City, you'd have to take out your luggage, you'd have to have it be screened, you'd have to go back through Security. It's a very cumbersome process and it is definitely a deterrent to helping international travelers get to some of these other destinations.

So a pilot program that would allow the luggage to kind of go through from the point of departure, so from Paris in this example, all the way to Kansas City would not only enable a better facilitation process but it would also allow for the TSA agents in IAD at this point to focus more on the domestic passengers that they need to focus on.

So it would really streamline the process, create a better facilitation, and make for much happier passengers.

Senator WICKER. Thank you. I think you stated a very good case for that. Perhaps other members of the panel can supplement their answer to the same question on the record, and I yield back, Madam Chair.

Senator ROSEN. Thank you, Senator Wicker.

I appreciate everyone being here, and, of course, we want to bring back visitors. We want to increase travel spending and we want to create jobs and so according to the Las Vegas Convention and Visitors Authority, July 2021 was the strongest month for visitation to Southern Nevada since the start of the COVID-19 pandemic. Over three million people visited the Las Vegas Valley, Laughlin, and Mesquite in July of this year. However, it's still about 10 percent below the visitation numbers from July 2019, and the low numbers are slowly recovering our economy.

Nevada's unemployment rate still close to 8 percent, more than twice the 3.7 percent rate we had the month before the pandemic began, and all this due in large part to a drop in visitors and travel spending.

So, Ms. Barnes, according to data from U.S. Travel, nationwide travel spending in July 2021 was about \$98.5 billion which was a drop of about 6.5 percent below those July 2019 levels, of course, in line with the decrease in visitation.

So how can the tourism legislation that we're putting together here in this Omnibus Bill, the Tour Bus, how does it help improve these numbers? What more would you like to see in this bill before we bring it to the Full Committee to create those good paying jobs and raise travel and tourism to pre-pandemic levels?

Ms. BARNES. Sure. Thank you for the question. So in the near term, it would provide emergency funding for Brand USA which

would obviously help to accelerate the return of international inbound travel.

Second, in the medium term, the bill would really focus on Federal tourism policymaking to ensure that there are strategic plans, national goals, and coordinating policies in place to restore travel. It would also help to reduce visa wait times, to improve Customs and entry experience, and make strategic investments in travel infrastructure.

In terms of what we could additionally include, we really think that the opportunity to expand the role of the Assistant Secretary to facilitate U.S. bids to bring in international conferences and events and help develop policies to grow the travel workforce are absolutely critical.

For example, large conferences and sporting events generate significant export spending and \$29 billion of export spending generated by IPW in 2018 that I noted earlier is the equivalent of the export of 69 Boeing 747s. So the travel has an export is a significant critically economic driver here in the United States.

Travel jobs also provide a pathway from a workforce standpoint to the middle class and many travel businesses can't find or restore workers. So ensuring that there are Federal policies to support the long-term and temporary workforce needs needs to also be a major focus.

And then, last, supporting other measures outside the committee's jurisdiction, like the Hospitality, Commerce, and Jobs Recovery Act, would help to accelerate business travel recovery, as well.

Senator ROSEN. Thank you. I'd like to just quickly move on to the Tour Bus impact on airports. Of course, our Harry Reid International Airport, at one point we had about 50 million visitors a year and now this last July we had 4.1 million visitors, and we're nearing pre-pandemic passenger volume but we have to improve that.

And so, Mr. Bidwell, how can the meaningful guidelines that were set forth in this legislation help with the airports and how can strategic infrastructure investments improving our airports also addressed in our Omnibus bill help revive the travel and tourism economy in the wake of the pandemic?

Mr. BIDWELL. Thank you, Chair Rosen. Airports have experienced a host of operational challenges, particularly during the pandemic. They have needed flexibility in implementing and complying with security requirements, and we sincerely appreciate our TSA partners for working with airports to provide such flexibility, and it greatly assists airports when requirements are outcome-focused as opposed to overly prescriptive.

In terms of infrastructure, our airports continue to face substantial infrastructure needs to replace or upgrade aging terminals, gates, security checkpoints and ramps, and other things. Inadequate infrastructure at our airports fails to meet the growing needs of local businesses and tourists, and this jeopardizes the economic recovery of American cities, states, and regions.

I would just mention that in March 2021 we released an infrastructure report detailing more than \$115 billion in infrastructure needs at airports over the next 5 years.

As I noted, the task force of Federal agencies advised by aviation industry partners established by the Ensuring Health and Safety in the Skies Act will help by requiring a coordinated plan so we are better prepared to address the challenges of the recovery and have a roadmap for future pandemics.

Senator ROSEN. Thank you. And now I'd like to recognize Ranking Member Scott for his first round of questions.

Senator SCOTT. Thank you, Chair Rosen.

The travel and tourism industry in Florida and all across our Nation has been facing historic labor shortages. Can each of you talk about what you think the reason is in your industry and what your industries are doing to mitigate this ongoing issue? So, Ms. Barnes, you want to start?

Ms. BARNES. I was going to say I'm happy to start. Thank you.

You know, obviously we've had a workforce shortage that actually started before the pandemic. There were already some challenges that we were facing, but given the pandemic and sort of the frontline worker aspect of the virus and the unfortunate, you know, stay-at-home orders that we had at the beginning of the pandemic and the challenges the travel business has faced, what we lost accounted for 65 percent of pandemic-related unemployment and a lot of those folks moved on to other jobs. They were either able to find jobs or in some cases maybe they've left the workforce all together.

So we need to undergo an extensive reconnaissance of what we can do to better attract the labor back to our industries so that they understand that these are good jobs, that we can have a significant upward mobility, and we are in the process of doing that because we know that there are so many great benefits from being in this industry and so many opportunities for growth.

Additionally, we really need these jobs, right? We've got hotels that have floors of rooms that they can't clean, so they can't have folks stay in those rooms, which, you know, hurts their revenue. We've got destinations that because of business travel and international being so insecure right now, challenges with getting folks back because of a lack of certainty.

So we're really looking to dig in to bring these workers back and we're going to really put forward a campaign to encourage folks back to our work force. So a lot needs to be done and I think that's why some of these incentives to help to get more folks traveling, get business travel back and get international travel back in a robust way will help to give security for folks to come back into this work force.

Senator SCOTT. Thank you. Mr. Shah.

Mr. SHAH. Thank you. The challenges with labor have been across the board and it's unfortunate because at certain times you need to be able to have enough people in the hotel, both during leisure time as well as during business time, as you know well in Florida, and so the best thing that we can do is drive up business travel.

As I mentioned in the urban markets, in particular, we're losing so much of our workforce because we just don't have the business and so tax incentives to get people traveling to restore conventions and conferences would be extremely critical, but some of the other things that are important in our industry in trying to attract work-

ers back, folks have increased the compensation, increased benefits, things along those lines, but we're still seeing some challenges.

For the industry, the American Hotel and Lodging Association has put forth a program called "Hotels are Hiring," and the point of the program is to make sure that we're training folks. We're providing them with a million dollars in academic and training scholarships to make sure that folks are ready for this particular workforce for this new type of labor that we're expecting. And so the industry has faced a number of challenges, but we're optimistic that if Congress can put forth motivations to drive more people into our hotels that we'll have a ready workforce at that time.

Senator SCOTT. Thank you. Ms. Neufang.

Ms. NEUFANG. Yes, from my perspective, I could say that about one-eighth of our members became honorary members during the pandemic, meaning the lost their jobs and we gave them honorary membership in our association. That's probably indicative across the board of supply side and, to a lesser extent, the buy side.

Most companies did keep their policy decisionmakers on staff for what their travel would become. This was primarily a supply side effect of the pandemic and the uneven effect of international, especially international inbound restrictions and where we were able to go but not come back, that affected us profoundly.

I think the other piece that certainly is something to consider in driving the demand that the other witnesses have talked about is offices do need to reopen. For offices to reopen gives that place for a meeting to happen and that drives so much travel within the business travel industry. You travel to meet. You don't travel in business for esoteric reasons. So that meeting location is so very important and I think the benefits that come for helping either hospitality industry or the meetings and conferences industry as well as ultimately that workforce and the place where they work, opening up those offices again means that they have a place to meet again and ultimately that will drive business travel back in a normal sphere, as well.

Senator SCOTT. Thank you. Mr. Bidwell.

Mr. BIDWELL. Thank you for the question. Inherent challenges are not just limited to airports, as you noted. TSA is also experiencing challenges in hiring transportation security officers. To respond to the challenges, airports have held job fairs which have proven successful and some airports have also provided incentives.

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

Senator ROSEN. Thank you.

I'd like to now recognize Senator Klobuchar.

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

Senator KLOBUCHAR. Thank you very much, Madam Chairwoman. Thank you for holding this hearing. Thank you, Senator Scott, as well.

So I'm over at Judiciary where we're having another hearing I'm chairing, but I wanted to be on. I think you know how much I care about this. Inbound international travel has historically been the Nation's second largest industry export before the pandemic.

As we know we saw 91 percent decrease in international visitors since the pandemic, and Senator Blunt and I have long led the bipartisan legislation to continue the funding of Brand USA to restore some of the funding and I appreciate the work that all my colleagues have been doing on this.

And, Ms. Barnes, I guess I would start with you. Our bill would direct the Secretary of Treasury to temporarily allow the Department of Commerce to access critical funding to help fund Brand USA next year.

As the travel industry starts to rebound, the recent announcement of allowing international travelers in with vaccinations, can you speak to the importance of restoring Brand USA?

Ms. BARNES. Absolutely, Senator. Thank you for the question and for your significant leadership on this important issue.

I think one of the benefits of Brand USA is really that it's been funded without American taxpayer dollars and the solution that you all have found would enable that to continue. Investments in Brand USA provide a 25:1 return on investment. So we know that the dollars would be put to good use and as you noted, the decline in international inbound has been so significant for such a long period of time, for 18 months, that if we're going to be the Number 1 country, the Number 1 destination of the future, we absolutely need Brand USA to accelerate their work and to be able to invite international travelers back to the U.S.

So incredibly—

Senator KLOBUCHAR. I think it would be especially timely because you want to invite a new group back in, some of whom haven't been traveling for awhile. We always have the problem that we have competitors advertising and until we have Brand USA, as you know, we are really hamstrung about what we could do.

So as you talked, it made me realize the moment matters. As people start traveling again, we want them to remember to come to our country where they spend an average of how much, Ms. Barnes?

Ms. BARNES. An average of \$4,000 per international visitor and so—

Senator KLOBUCHAR. At Mall of America in Bloomington, Minnesota.

Ms. BARNES. Exactly. Shopping is important.

Senator KLOBUCHAR. I have another question and, you know, the recent announcement was great and maybe this could go to I think maybe you, Mr. Shah, about people flying in and the vaccinations. We're all happy about that. There is still a strange situation on my border, the Canadian border where we were happy. I worked really hard on this as head of the American-Canadian Interparliamentary Group to get Minnesotans and Americans can now with the vaccination travel to Canada. They can see their loved ones. They stay in their hotels, blah-blah-blah-blah.

Well now they can fly to America, the Canadians, who have an over 80 percent vaccination rate, but they can't drive, and I was thinking of you, Mr. Shah, because especially from a hotel perspective this is a problem because you can fly to Florida from Montreal but you can't drive from Thunder Bay, Canada, to Duluth and so

you can imagine all the border states would like the Biden Administration to change that, I'm hopeful they will soon, but there's a group of us on the border really advocating for that change, especially when their vaccination rate is higher than ours.

Could you comment, Mr. Shah.

Mr. SHAH. I appreciate that, and as somebody who grew up in Wisconsin right next door I definitely understand the proximity and the frustration, especially where if you can fly but you can't drive across, in some cases it could take hours versus just a couple of minutes to come across the border, and so we're hoping with opening up of the travel restrictions from the Administration we'll be in a better position, but I tell you the most important thing that we can do for the hotel industry right now is to pass the Save Hotel Jobs Act.

This is such a critical provision that will provide payroll and benefits to hotel employees so they're able to make it across until travel resumes. So definitely understand the challenges that we're facing but hopefully this will help protect the hotel industry soon.

Senator KLOBUCHAR. OK. Well, thank you. I'll put the rest of my questions for the other witnesses on the record, and thank you very much, Madam Chair.

Senator ROSEN. Thank you, Senator Klobuchar.

Next, I'd like to recognize Senator Blunt.

**STATEMENT OF HON. ROY BLUNT,
U.S. SENATOR FROM MISSOURI**

Senator BLUNT. Well, thank you, Chairman. I didn't expect to be recognized quite that quickly. I will say, as I would have anticipated, Senator Klobuchar asked a number of the questions I was going to ask and we have worked closely on these issues for a long time. I do hope that the Brand USA solution that we're collectively proposing gets us back in the competition for foreign travelers. They're important to us. I think clearly they're also important not just to our economy but to our relationships around the world.

It is in so many ways our best diplomatic effort to have people come here and they almost always like us better when they leave than they thought they would, even if they thought they'd like us a lot when they got here and so that's all good.

I would say another thing that Senator Klobuchar and I have asked the Administration to do through the Department of Commerce is to study the report on the effects that COVID-19 have had on the travel and tourism industry really to be sure that we know what we're doing as we move forward.

I think maybe I'd pose to every person on the panel, starting with Mr. Shah, beyond the economic impact, which I think will clearly be in the report, what's another thing or two, Mr. Shah, that you'd like to see in this report as it relates to travel and tourism and particularly your industry, maybe something you wouldn't have anticipated at the beginning of COVID-19 that now is obviously one of the ongoing challenges because of COVID-19?

Mr. SHAH. Appreciate the question, as a Mizzou grad, appreciate your leadership on so many travel and tourism issues during your tenure in the Senate.

For our industry as we're looking and appreciate in the Tour Bus the provision for the study, you know, there's so many issues that the industry is facing that we didn't anticipate, as you mentioned, but predominantly the impact on jobs.

So, first and foremost, of course, what is happening and the uneven nature of the recovery for our industry is really challenging because you can't anticipate when we're going to be able to have a steady stream of visitors come back and a steady stream of guests and people coming visiting our hotels.

So making sure that we understand the trajectory of the pandemic relative to jobs and that's why the Stay at Hotel Jobs is so critical.

The other piece is on tax revenues. The implications of taxes for America's hotels on the local communities in which they serve are absolutely critical, from, of course, Federal taxes but to property taxes, to sales taxes, all of the taxes that folks have to pay, but they help uplift local communities.

Of course, in doing so, the challenges that we are going to see if there's all of a sudden a wave of foreclosures, for instances, within the hotel industry because we don't have enough guests for folks to be able to meet their mortgage obligations, things along those lines are going to be a big challenge, and because the trajectory for our industry won't be until 2024, recovery won't be until 2024, there's still a long way to go. So we'd encourage you to take a look into both of those areas.

Senator BLUNT. Thank you. Ms. Barnes.

Ms. BARNES. Thank you, Senator, and thank you, as always, for your tremendous leadership of Brand USA and all issues on the travel industry.

I think another thing really to look at is, as we look at the future of transportation and travel mobility, how some of the sustainability-related issues will impact our industry.

Before we entered the pandemic, we were having in some areas a sort of an over-tourism issue and we were looking to try to make sure that we were encouraging folks to look at other related destinations when they would come to a city, for example.

I think, as well, as we look at the way the auto industry, for example, has set robust goals for electric vehicle infrastructure and electric vehicle targets of having all electric fleets by 2035, that's going to change the way that folks drive across the country and the destinations that they're able to go to and so I think that it's really important that we think about the long-term viability of the industry and the critical infrastructure needs that we will have over the next several decades.

So I think that that's something, along with the items that Chirag mentioned, the workforce piece is obviously another really critical issue, but I think we need to be thinking long term about where and how the industry's going to change and how we can be prepared to welcome folks both domestically and internationally for the long term.

Senator BLUNT. Thank you. What about airport security issues, other security issues, and really other airport issues that you'd like to see looked at, Mr. Bidwell, in the report we've asked for?

Mr. BIDWELL. Thank you, Senator, for the question. You know, one of the things I think we need to consider is that measures to the greatest extent possible are targeted and based on science.

As an example, the point that Senator Klobuchar mentioned about the closure of the northern border, many Canadians drive to the United States to then fly out of airports close to the border because it is beneficial for them, and the other thing that I would say is that we need to consider all the measures that the aviation industry has implemented to provide for the safety, security, and the health of the traveling public and then, last, I would just reiterate a point that I made previously during my opening remarks about the need to ensure ample funding and the appropriate number of transportation security officers and Customs and Border Protection officers to keep pace with the growth and travel and anticipated growth in international travel, and I would note that technology, particularly screening technology, plays a key component in that.

Senator BLUNT. Right. Well, that's a good point. I actually was going to ask the question about the border, too, and I'm not sure I would have thought about the importance of access to those airports in our country close to the border. That's a really good point.

I think I would have pointed out that I could make the argument, I believe, that for vaccinated people probably safer to come across in your own car than it is to get in groups of people, not to discourage air travel. We all know we all do that and understand it and appreciate it and couldn't live without it, but it seemed to me an unreasonable line to draw that you could fly in but you couldn't drive in from our neighbor and our important trading partner.

Ms. Neufang, from this global business travel generally, what would you like to see in the commerce report that looks at what we've been through and makes recommendations about the future?

Ms. NEUFANG. Thank you, Senator. I agree with Ms. Barnes on the sustainability issue. I think workplaces and CFOs as well as CEOs and their H.R. departments have woken up to the sustainability issues, sometimes using sustainability as their excuse not to be traveling again. So we need government help to support the kinds of sustainable actions around sustainable aviation fuels support or benefits, ground transportation options that are sustainable in urban centers to get those meetings back to where those urban centers are hurting the most.

The second area is around work culture itself. I think there is a lot of study left to be done on the number of people that started jobs without ever having met their counterparts and leaving those jobs during this pandemic without ever having met a single person in their company and how workplace culture and the travel, the commute, the pieces that are part of it, coming together to meet, to get work done is a primary function of humanity and a way that we need to understand what and if any long-lasting effects those are and who comes back first, what are their advantages when it comes to commerce and the way that they do their business, and, finally, I would say this is, at least from what we read in many of the media outlets these days, will not be the last pandemic that we deal with in our lifetimes and so what did we do well in the last 18 months, what could we have done better, and how can we get

in front of especially cross-border policy cooperation and consistency to make sure that we are approaching the next pandemic with as many tools as we have available and making those policies set up so that there is less confusion and less inconsistency in the way that we process whether it's ground border crossings or air border air travel into other borders in the future.

So those would be three on my wish list.

Senator BLUNT. Well, thank you. We'll be sure that the people putting this study together have all of that input. It's very helpful and thank you, Chair.

Senator ROSEN. Thank you, Senator Blunt.

Next, I'd like to recognize, asking questions remotely, Senator Sinema.

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

Senator SINEMA. Thank you so much, Madam Chair, and thank you to our witnesses for joining us today.

Tourism represents such an important industry for my home state of Arizona. In 2019 Arizona's tourism industry welcomed more than 46 million overnight visitors, which generated over \$25 billion in direct travel spending and helped support state and local government revenue.

The COVID-19 pandemic has created difficult challenges for many Arizona communities, small business owners, and Arizonans who work in the tourism industry.

In 2020, spending by domestic and international travelers declined by 41 percent, hurting many local businesses and putting many Arizonans out of work, and according to the Arizona Lodging and Tourism Association, COVID-19 has wiped out 10 years of job growth for Arizona tourism and, unfortunately, we're not out of the woods yet as increasing COVID case numbers are driven by the Delta variant.

The Arizona Office of Tourism reports that tourism spending through July 2021 is down \$4.5 billion compared to the same period in 2019.

Given these significant challenges for Arizonans, I'll continue to work with my colleagues on this subcommittee to develop bipartisan solutions to these issues and help get Arizona's tourism industry back to work.

Now my first question is for Ms. Neufang. Arizona is a prime destination for large business and group travel. According to the Arizona Lodging and Tourism Association, business and group travel accounts for more than half of our annual hotel revenue. According to Visit Tucson, since March 2020, the Tucson area has had 149 meetings canceled, which resulted in a \$48 million loss in economic impact throughout the region.

Visit Phoenix estimates that the decline in business travel resulted in over \$950 million in lost spending.

Estimates show that business travel may not return to pre-pandemic levels until 2024 and Arizonans are seeing that trend. Just last week, Phoenix had three large conventions scheduled for this fall cancel in one day.

Can you describe why business and group travel is so important to the tourism industry and how the decline in this type of travel hurts Arizona's small businesses?

Ms. NEUFANG. Thank you, Senator Sinema, for that question, and my heart goes out to the communities of Tucson and Phoenix for what is certainly a devastating impact of this virus.

We are holding our own convention in the great state of Florida in Orlando in November and we do—we get questions every day, are you still holding it, are you still holding it?

So the impact of COVID from a \$1.4 trillion business travel global industry with losses in the 50 percent range on the U.S. basis, it's a loss of 57 percent. Certainly we've gone from a high-high. We were the largest traveling entity in the world as the U.S. domestically and outbound. We became one of the ones highly impacted because of the surge and the re-surge of the virus.

We were actually on a great trajectory in May and June and the beginning of July where we were seeing in our polling that more companies were coming back to travel domestically in particular, but what we see now, for example, is that 78 percent of companies polled just 3 weeks ago have still stopped all international travel for their companies and only 18 percent with the current state of Delta variant were planning to restart that in the next 3 months. So there's a long hill to climb.

There are companies I speak to who are actually eager to get back on the road again, certain types of travel will be back on the road again, and what we need to do, both as government and as industry, we need to celebrate the conferences and large meetings that come up without a hitch and my board and I are speaking about that as we speak. We know that lots of convention centers are indeed putting on very safe conferences and hotels are putting on large conferences of 200 to 800 people, all with the mitigations that we need to have, and I think we need to celebrate that return and the safety that we are showing as an industry on how to have a safe meeting and how to carry that forward to stop the panic because we see some panic at the moment and we would really like to calm that down again.

Senator SINEMA. Thank you. My next question is for Mr. Shah. Home to 22 National Park Service sites, including Grand Canyon National Park, it's no surprise that many leisure travelers chose to visit Arizona. In 2019, these visitors supported over 300,000 jobs.

Now your organization reports the recent increase in the number of COVID cases nationwide is discouraging leisure travelers from taking trips with 55 percent of respondents reporting they're likely to postpone travel and 42 percent stating they don't plan to reschedule their postponed trips.

How are Arizona hotels, restaurants, and other small businesses that cater to tourists affected when leisure travelers opt not to take their trips, and does this compound the effects felt by the decline in business and group travel?

Mr. SHAH. Yes, thank you, Senator, appreciate the question. Absolutely. The uncertainty around the trajectory of the virus but also the responses and whether or not people are going to gather really lends to this.

So as far as leisure travelers because people are uncertain as to whether or not they feel comfortable with travel, that is one of the biggest challenges. That's why half of all leisure travelers are starting to postpone or cancel trips and that's compounding the issue with business travelers as there's so much uncertainty.

You saw it with business travel. A number of companies decided that they were going to move back when they were going to come back to work and that's become even more indefinite.

We've also seen this, frankly, from various units of government, as well. There isn't a consistent response from the Federal Government to state governments to local governments and so it's very difficult for any entity to really plan on a mark and follow that guideline and so once there is additional certainty that will drive up confidence as far as whether folks will be out and able to travel, but that again the impact goes back to the jobs in the lodging industry and because of that uncertainty, because you can't have guests 7 days a week, it's very difficult to have a workforce that's there and provide them with enough work to do for those 7 days and that's why we're asking for Congress' help to bridge that gap until travel returns and that's why we're asking them to pass the Save Hotel Jobs Act.

Senator SINEMA. Thank you. My next question is for Mr. Bidwell. Before the pandemic, we saw record levels of airline passenger traffic, which put pressure on our existing infrastructure. This increased demand highlighted the need to improve runways and taxiways, terminals, and air traffic control towers to prevent overcrowding and delays.

The bipartisan Infrastructure Investment and Jobs Act legislation I introduced in the U.S. Senate included \$25 billion for our Nation's airports. This will help airports upgrade their runways and taxiways as well as their terminals and air traffic control facilities.

As airports continue to respond to the challenges of the COVID pandemic, why is this infrastructure funding so important for both our large and smaller airports in Arizona?

Mr. BIDWELL. Senator, thank you very much for the question. Our airports continue to face substantial infrastructure needs.

In March, ACI-NA released an infrastructure report detailing more than \$115 billion in infrastructure needs at airports over the next 5 years and this includes two billion in Arizona.

The important thing to note is coupled with the current debt burden of nearly \$90 billion from past projects, the report shows that our airports are falling further behind in their efforts to upgrade their facilities and improve the overall experience for their customers.

We are very grateful for your work and the Senate's bipartisan Infrastructure bill which includes \$20 billion in new funding over the next 5 years for airports. This funding has broad flexibility to address a variety of the projects that are needed that you mentioned, but we really need to look at the longer term after this one-time capital infusion, you know, takes effect and plan for consistent funding to ensure airports have the ability to pay for infrastructure projects going forward and we certainly look forward to working

with you and other members of the Committee on that long-term effort. Thank you.

Senator SINEMA. Thank you. Madam Chair, I apologize. I just noticed that my time has expired, and I want to thank you for your indulgence.

Senator ROSEN. Thank you. I appreciate that.

I'd just like to build a little bit right now upon what everyone's been talking about, conferences, conventions, business travel. I don't have to tell anybody about the great conferences and conventions we have in Las Vegas, some of the greatest conventions in the world. Of course, Ranking Member Scott and I, we have a lot of competition there, and all the conventions are great. Whatever city they are in, our communities need them because that spending, that spending on business travel in 2019 was over approximately \$334 billion.

As we learned from Ms. Neufang's testimony, of course, and I don't need any statistics, business travel is down and conventions are down, and there is uncertainty out there.

Senator Sullivan, he has the Visit America Act of which I'm a proud co-sponsor, to help address this problem by creating an Assistant Secretary position within the Department of Commerce that would be focused on bolstering America's travel and tourism industry and coordinating strategies across multiple Federal agencies and so, Ms. Neufang, would you talk about the impact that creating this Assistant Secretary position could have on travel and particularly the business and convention travel? As Mr. Shah spoke to, we need that reliability. Those are those mid-week travelers, right, that keep the hotels open during the week for our leisure travelers to come on the weekend.

So Ms. Neufang.

Ms. NEUFANG. Indeed. Thank you, Senator Rosen. The crux of the matter is we very much support that. With yesterday's announcement of the ending of the travel ban on certain travelers to the U.S., it really becomes even more important that our messaging across the board be cohesive, be consistent. Travelers need that one-stop shop from messaging in order to understand what travel requirements are and whether borders are open and how they are open.

So the creation of an Assistant Secretary position will allow for that greater cross-agency, cross-industry, and other cross-business collaboration to ensure travelers have the information they need to resume their travels to the U.S.

I also just referred to safe conventions and being able to crow a bit about how safe they actually are and I think this office would actually help with that cohesive message.

Additionally, it's also important for that office to set and pursue goals to increase international inbound travel into the U.S. This is a daunting task in the current environment, to come from a screeching halt to go to a business as usual again, but having an office like this within the Administration to pursue this is vital to our success in my opinion.

Senator ROSEN. Thank you. I have one more question and then I'm going to yield to Senator Scott, but I want to talk about travel and tourism at the Department of Transportation.

I know some of you here today have talked about coming to a meeting, how do you get there, do you drive there, if you come to an airport, what's the transportation to get to where you need to be, and, of course, the Senate passed an infrastructure bill which includes my bill to update the National Travel and Tourism Strategic Plan from the Department of Transportation to consider the impacts of COVID-19 but we also want to lay out infrastructure investments that we need to help our tourism industry, fixing our interstates, mass transit, trains, tour—well, tour bus. Our bill is called the Tour Bus, but we have a robust tour bus industry, rail service options, like I said, ports for the state of Florida.

Ms. Barnes, again, would you speak to the need of this kind of focus by the department in infrastructure investment to really how good that would be for the industry and if you want to speak a little bit about anything you know about in the Infrastructure bill that we just passed that would really be beneficial to the tourism industry?

Ms. BARNES. Sure. Absolutely. And thank you for your leadership there. We really do believe that it's critical. We have, you know, a national program to move freight, but we don't have a national program to actually move people and that's what the work in provisions that were included in that bipartisan infrastructure package would do.

I think establishing a Chief Travel and Tourism Officer at the Department of Transportation will really help ensure that travel-related projects are competitive to receive Federal funds, and again we need that collaboration, that cross-agency cooperation that was obviously noted in the Travel America Act, but by having a leadership role at the Department of Transportation, as well, and really prioritizing the way that we look at the travel industry and how we get around is really, really critical.

You know, we talked a little bit about how, you know, domestic travel is doing better and this is really—we focused on business travel and international, and domestic can't prop up business and international. We need a comprehensive way to look at all of these different segments that are so critical to the whole of our industry and they're all vital to being able to return and accelerate a recovery.

So if we want to be able to recover sooner than the next four or 5 years, we need these types of programs in place and this type of leadership at the top of these agencies and your legislation and the work that you all have done would really enable us to expedite these critical programs.

Senator ROSEN. Thank you.

Senator Scott.

Senator SCOTT. Thank you, Chair Rosen.

Mr. Bidwell, I was surprised to hear how big the number is as far as infrastructure needs our airport industry has. There are different ways to pay for it. We can either have the user pay for it, the flying public, business or consumers. We could have the local community which gets the benefit out of a robust airport system, or we could have the Federal taxpayers pay for it that would allocate it among users and non-users.

What would you recommend would be the best way to fund infrastructure for our airports?

Mr. BIDWELL. Senator, thank you very much for the question. One of the things that we have been very supportive of as a potential solution to help address this challenging issue of the need for funding to support infrastructure projects at airports is to modernize the passenger security fee. These are fees that are collected locally by users of the system and they are also used locally to invest in these types of infrastructure projects that benefit travelers at those local airports, whether it's expanding security checkpoints or doing some of the projects that Senator Sinema mentioned earlier.

These modernized passenger facility charges would go a long way to addressing the challenges that we have in identifying available funding to support infrastructure projects.

Senator SCOTT. Can each airport decide what the passenger fee is for that airport?

Mr. BIDWELL. Now the passenger facility charge has been capped by Congress for years and is in great need of modernization. In deciding how that funding, when collected, is allocated, it's really a coordinated effort between the Federal Aviation Administration and the airlines also have input on the projects that it is allocated toward.

Senator SCOTT. So if the Orlando Airport or the Las Vegas Airport wanted to have a separate fee to modernize their airport, they don't have the ability to do that?

Mr. BIDWELL. They don't have the ability to impose a user fee similar to the passenger facility charge. I mean, they collect money or revenue from other things but that has been significantly diminished as a result of the pandemic. Whether it's concessions revenue or revenue from parking or other things of that nature, it's down significantly right now, which is why finding other sources, such as modernizing the passenger facility charge, is so critical.

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

Senator ROSEN. Well, thank you. We were trying to wait for Senator Blackburn but I'm not sure she's going to be able to make it with us. So we will have her submit her questions for the record.

So I want to thank everyone so much for participating in today's hearing.

I'm looking forward to working with Ranking Member Scott, Chair Cantwell, Ranking Member Wicker, and all the members of the Subcommittee to use what we've learned today to finalize our bipartisan Omnibus Tourism legislation so that we can bring it before the Full Committee for a vote. Today's hearing was a great step in that direction.

The hearing record will remain open for two weeks, until Tuesday, October 5, 2021. I'd like to submit for the record a letter from the American Society of Travel Advisors and I guess I get to approve that for myself, as well. Any Senators, of course, that wish to submit questions for the record or anything else should do so by Tuesday, October 5, 2021.

[The information requested follows:]



September 20, 2021

The Honorable Jacky Rosen
Chair
Subcommittee on Tourism, Trade and Export Promotion
U.S. Senate Committee on Commerce, Science and Transportation
713 Hart Senate Office Building
Washington, DC 20510

The Honorable Rick Scott
Ranking Member
Subcommittee on Tourism, Trade and Export Promotion
U.S. Senate Committee on Commerce, Science and Transportation
502 Hart Senate Office Building
Washington, DC 20510

Dear Chair Rosen and Ranking Member Scott:

I am writing on behalf of the American Society of Travel Advisors (ASTA) and the more than 160,000 Americans who work at travel agencies across the country to share our policy priorities in advance of the subcommittee's September 21 hearing titled "Legislative Solutions to Revive Travel and Tourism and Create Jobs."

According to the U.S. Census Bureau, the vast majority of travel agencies in this country (98 percent) are small businesses under the U.S. Small Business Administration's size standards, and over two-thirds of them are owned and operated by women. At last count, there were close to 15,000 retail locations in the U.S., employing over 108,000 people, plus an additional 60,000 self-employed travel advisors working as independent contractors. This includes 2,842 people working at 162 agencies in Nevada and 16,254 at 1,573 agencies in Florida.

As a result of the coronavirus pandemic (COVID-19) and the governmental response to it, the travel agency business came to an almost complete halt and recovery has been painfully slow – with average revenue levels still down 82 percent as compared to 2019 according to our member surveys. Even factoring in the relief programs created by the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) and successor legislation, the average travel agency has laid off close to 60 percent of its staff. And due to industry economics (i.e. commission payment schedules), there will be a substantial time lag between a return of travel bookings and a corresponding return of business income – an anticipated average of close to nine months' delay.

Government action – here and abroad – has played a key role in this catastrophe. We understand that our country is coming out of the worst public health crisis in history, and understand as well the rationale behind these government restrictions. That said, we believe the government has a responsibility to provide some level of support to those businesses harmed by its response to COVID-19. Sadly, financial support for the travel industry has been uneven so far, especially with regard to less visible sectors of the industry like travel agencies.

While we are supportive of initiatives to study the impact of the pandemic on the travel industry and to promote

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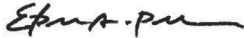
ASTA.org TravelSense.org

inbound international travel to the U.S. such as those envisioned by the draft Omnibus Travel and Tourism Act, we fear that without additional support from Congress the very future of our part of the travel industry and all manner of travel-reliant small businesses is at risk. As such, we respectfully request the subcommittee's support for the following items in the next appropriate legislative vehicle:

- **SAVE Act (H.R. 2120)** – Introduced by Reps. Mark Amodei (R-NV), Charlie Crist (D-FL), Bill Pascrell (D-NJ) and Dina Titus (D-NV), the Securing Access for Venue Equity (SAVE) Act (H.R. 2120) would make travel agencies and other hard-hit businesses eligible for the Shuttered Venue Operators Grant (SVOG) program, which was established by the Continuing Appropriations Act (CAA) at the end of 2020. Under this program, eligible applicants can qualify for grants of up to \$10 million equal to 45 percent of their 2019 gross revenue. We are fully aware that the SVOG encountered challenges upon its launch earlier this year, that its funding is running low and that the size and scope of future relief legislation is uncertain. That said, H.R. 2120 is the only pending legislation that would provide direct support to travel agencies during our time of need.
- **Extend ERTC and Target Relief Toward Hardest-Hit Industries** – The Employee Retention Tax Credit (ERTC), created by the CARES Act and subsequently extended, provides a refundable tax credit of up to \$7,000 per employee per quarter for businesses whose revenue has been reduced by at least 20 percent as compared to 2019. However, the pending bipartisan infrastructure bill (H.R. 3684, as amended) would move up the ERTC's expiration date by one quarter, from December 31 to September 30, 2021. With Paycheck Protection Program (PPP) funds running dry, many agencies are counting on ERTC support to help them get through the fourth quarter. As such, we believe that the ERTC should not only be maintained in the fourth quarter of 2021, but should be extended into 2022 and targeted toward those businesses who suffered at least a 50 percent revenue loss in 2020 and 2021, with extra benefits on a sliding scale for those suffering a 75 percent loss.
- **Hospitality & Commerce Job Recovery Act (S.477)** – Introduced by Sens. Catherine Cortez Masto (D-NV) and Kevin Cramer (R-ND), the Hospitality and Commerce Job Recovery Act (S.477) would support the convention and trade show industries by establishing a tax credit to offset the cost of attending or hosting a convention, business meeting or trade show in the U.S. through 2024, and would also provide a tax credit for qualified domestic travel expenses of up to \$1,500 for many Americans. While additional relief for travel agencies remains our top priority, the stimulative measures included in S. 477 will be critical to the recovery of the travel industry, the health of which is central to the overall U.S. economy.

Thank you for considering our views on these critical issues. If you have any questions about this or any issue related to the travel and tourism industry, please don't hesitate to contact me at (703) 739-6842 or epeck@asta.org.

Yours Sincerely,



Eben Peck
Executive Vice President, Advocacy
American Society of Travel Advisors (ASTA)

Senator ROSEN. 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.

[Whereupon, at 4:29 p.m., the hearing was concluded.]

A P P E N D I X

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. KYRSTEN SINEMA TO TORI EMERSON BARNES

International Travel and Coronavirus. Arizona benefits from international visitors who support small business jobs in our border counties and in northern Arizona near the Grand Canyon. In 2020, Arizona lost over \$3 billion in spending from international travelers. My state also welcomes our fellow Americans and international visitors who spend significant amounts of time in Arizona during the winter months. In fact, the Arizona Office of Tourism reports that 280,000 Canadians alone visit Arizona for an average of 60 days each winter.

Question. Given the presence of the highly transmissible Delta variant, how do you propose to safely encourage more international travelers to visit the United States? What actions could the administration take to make it easier for international tourists to visit while protecting public health?

Answer. Thank you for the question, Senator Sinema. First and foremost, we are encouraging all Americans and international visitors to get fully vaccinated as soon as possible, since the vaccine continues to be our best defense against the virus. In addition, the travel industry has taken extraordinary steps to ensure the health and safety of our customers throughout their journey. From hospital-grade air filters on-board aircraft and physical distancing measures in airports to cleaning and sanitation protocols in hotels, and more, travel continues to be safer than many other routine activities that Americans undertake each day.

The Biden Administration can safely restart international travel and our Nation's economic recovery by replacing 212f travel bans with risk-based entry requirements for foreign visitors. For example, implementing a targeted inbound vaccine requirement for international air arrivals would help protect both international visitors and American communities during their stay. In fact, if an inbound vaccine requirement were implemented, international visitors would be one of the most highly vaccinated and low risk populations anywhere in the country.

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. MARSHA BLACKBURN TO TORI EMERSON BARNES

Question. Could you please tell me how this period of inaction further hurt struggling tourism operations during this past summer?

Answer. Thank you for the question, Senator Blackburn.

The travel industry continues to face headwinds. Despite domestic leisure travel recovering to near-pandemic levels, other sectors of travel lag significantly behind. Specifically, sustained declines in international inbound travel, professional meetings and events (PMEs) including transient business travel, and employment continue to stymie recovery.

Total losses are staggering. Since the beginning of the pandemic, the industry has lost a cumulative \$670 billion in travel spending, causing a loss of \$82 billion in federal, state and local tax revenue.

Declines in international inbound travel alone have resulted in more than \$250 billion in lost export income. This is due in large part to 212(f) restrictions that were initially put in place in early 2020 when we knew almost nothing about the virus. The reduction in visa processing capacity has also been a significant challenge. Unfortunately, as vaccination rates increased and the pandemic's outlook started to improve, many of these challenges continued to compound the problem. For example, as of mid-October of 2021, 60 percent of U.S. visa processing consulates and embassies globally remain fully or partially closed.

With the Administration's recent announcement that it will lift 212(f) restrictions and reopen international travel more broadly to vaccinated foreign nationals with proof of a negative COVID test, we're hopeful that it will be a significant turning point for the travel industry's recovery. However, this reopening is just the first step

in reviving international travel; it is not a last step and there is much work that will continue to be necessary to ensure we can welcome international travelers in a robust way.

Meanwhile, business travel is expected to be down 57 percent this year (compared to 2019 levels), while international inbound travel is projected to be down 70 percent. Without targeted support, the turmoil, hardships and uneven recovery within the travel industry will continue to negatively impact the overall economy slowing a full recovery.

In order to avoid such a scenario, we urge Congress and the Administration to work together to put in place the policies needed to ensure the industry emerges from this crisis stronger than ever.

Such policies include: (1) the provisions included in the Omnibus Travel and Tourism Act, specifically providing emergency funding for Brand USA (2) tax policies designed to support the restoration of business travel (particularly PMEs), (3) continued relief to travel businesses facing hardship due to COVID-19 restrictions, (4) efforts to accelerate visa processing and reduce visa wait times (which exceeded 6 months on average in August), and (5) adequate funding for CBP staffing and overtime pay to ensure they can efficiently process the increase in inbound international arrivals as the country reopens.

We thank the committee for their continued attention to the unique challenges facing our industry and your leadership on issues impacting the U.S. travel industry.

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. AMY KLOBUCHAR TO
SUZANNE NEUFANG

Support of the Travel and Tourism Industry. I fought for the coronavirus relief package to include \$750 million in funding for Economic Development Administration (EDA) grants to support the tourism industry, which is based on a bill I introduced with Senators Cortez Masto, Blunt, and Cramer to fund tourism marketing and promotion activities and organizations to help increase travel.

Question. In your testimony, you note that as we begin to reopen, it will be vital for us to promote travel to the U.S. and inform the world that America is safe and open for business. Can you speak to the role both domestic and international travel will play in contributing to our state and local economies?

Answer. First, thank you for your efforts on this push, GBTA was supportive of the effort to include the \$750 million for EDA grants. GBTA did this because domestic and international business travel is an economic growth generator for U.S. localities.

According to GBTA research, U.S. companies alone spend \$313 billion in 2019 on business travel. This directly supports local transportation and hospitality industry jobs and helps fund local economic development projects.

- Typical U.S. business travelers spend an average of \$520 on each trip (or double that if air transportation is involved). International business travelers to the U.S. spend an even greater amount per trip, contributing over \$9.2 billion to the U.S. economy.
- For every one percent change in business travel spending, the U.S. economy gains or loses an additional 74,000 jobs, nearly \$5.5 billion in GDP, \$3.3 billion in wages and \$1.3 billion more in tax collections.
- Local business travel contributes a significant amount to federal, state and local tax receipts, to the tune of \$135B.

International travel has a significant impact on U.S. businesses.

In just looking at the impact of the Visa Waiver Program, a program of the U.S. Federal government that allows nationals of specific countries to travel to the United States for tourism, business or while in transit for up to 90 days without having to obtain a visa, the economic numbers are impressive.

- International travelers stay longer and spend more while here—an average of 18 nights and nearly \$4,400 per person per trip. For every 35 overseas travelers who decide to visit the United States, an additional American job is created.
- In 2018 alone, 23 million travelers arrived through the VWP (57 percent of overseas visitors), generating \$190 billion in economic output and supporting nearly one million jobs.

Thank you for your efforts in bring travel back to the United States. Telling the world the U.S. is open for business is key for the U.S. business and leisure travel to emerge from the pandemic improved and stronger.

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. MARSHA BLACKBURN TO
SUZANNE NEUFANG

Question. Could you please tell me how this period of inaction further hurt struggling tourism operations during this past summer?

Answer. The Covid pandemic has impacted the travel and tourism industry as the public health crisis demanded that measures be taken to socially distance, wear masks, and close our borders.

The decision to close the U.S. border in 2020 was necessary to protect public health, but it had an understandably negative impact on international travel. According to GBTA's Business Travel Index, the true global financial impact of COVID-19 began in Q2 2020, resulting in an expected 68 percent decline (to \$738 billion USD) from April 1, 2020 to the end of the year. Because of the relatively strong (pre-COVID) first quarter of 2020, global spending on business travel is expected to show a 52 percent decrease for all of 2020 (to \$694 billion USD), down from \$1.4 trillion USD in 2019.

The summer months are typically slow ones for business travel in any given year, and our GBTA polling of the business travel industry reflected as much. For example, in August 2021, GBTA research found one in four (24 percent) of travel suppliers reported their bookings increased from the previous month. However, when we look at our most recent October poll, over half (55 percent) report their bookings have increased from the previous month.

As we move forward and re-open the U.S. to international travel we expect international business travel to increase among U.S.-based employees. GBTA's October 2021 poll finds one in four (23 percent) of U.S.-based respondents report their company plans to resume international business travel in the next one-three months—an increase of 10 percentage points from August.

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. AMY KLOBUCHAR TO
CHRISTOPHER R. BIDWELL

Air Travel Workforce. In your testimony, you note that once we open international borders, Congress must ensure there is a sufficient TSA and Border Patrol workforce to keep travelers safe.

Question. Can you elaborate on the workforce challenges, and speak to how the Federal government can help airports meet their workforce needs?

Answer. Particularly with the resumption of international travel, it is critical for Congress to provide the Transportation Security Administration (TSA) and Customs and Border Protection (CBP) the funding the agencies need to ensure security checkpoints are fully staffed with Transportation Security Officers and Federal Inspection Stations are fully staffed CBP Officers, so passengers are effectively and efficiently screened and processed.

TSA needs a sufficient number of Transportation Security Officers (TSOs) so that screening checkpoints are opened on time, remain operational, and afford passenger proper physical distancing. With the growth in domestic passenger traffic, and the resumption of international travel, ACI-NA member airports are reporting increased wait times at security checkpoints. Some have reported wait times over an hour. Most airports do not have the resources to provide staff—on a voluntary and temporary basis—to perform non-screening functions as some did in previous years. A shortage of TSOs at TSA checkpoints during the recovery will negatively impact the aviation industry as well as security and airport operations. ACI-NA encourages Congress to provide TSA adequate funding for screening technology and the number of Transportation Security Officers necessary to effectively and efficiently screen passengers and baggage.

Prior to the pandemic, airports suffered chronic CBP understaffing. The CBP workforce staffing model indicated that the agency needed over 3,700 additional officers across the system. Staffing shortfalls at airports routinely result in long wait times and missed connections. This discourages international travelers, who spend an average of \$4,200 per visit, from traveling to the United States. Many airports have also faced denied landing rights for new or existing airline service due to the chronic lack of CBP staffing. CBP, the Department of Homeland Security (DHS), Congress and airports were working together to increase staff when the pandemic

hit. Unfortunately, the strategy relied on revenue from air travel. Passengers pay for CBP services through various fees and the reduction in international air travel over the last seventeen months has resulted in significantly lower collections. DHS and Congress need to identify non-passenger dependent resources to increase CBP staffing.

ACI-NA recommends directing additional resources towards retaining and hiring additional CBP officers at the ports-of-entry and fully implementing the biometric entry-exit program. CBP user fees have decreased tremendously during this pandemic, which has put a huge hole in the agency's budget, both this year and next. ACI-NA remains at the forefront of a diverse coalition of industry stakeholders who support improving travel and trade facilitation through CBP ports-of-entry. The coalition—which includes leading voices from various shipping, tourism, travel, trade, law enforcement, and employee groups—continues to push for adequate funding to support the existing CBP workforce and to help it grow to meet future travel and trade demands. ACI-NA encourages Congress to provide CBP adequate funding to increase staffing to the level necessary to process international arriving passengers, baggage and cargo.

Airports also are working with stakeholders in their facilities—including Federal agencies, airlines, and tenants—to develop “touchless” aviation security screening processes that provide enhanced security, lower false alarms, and adequate physical distancing for passengers and baggage moving through TSA checkpoints and CBP ports-of-entry. In order to further enhance security and provide for the health of the traveling public, we recommend additional funding for TSA to procure and deploy Credential Authentication Technology with a camera, enhanced Advanced Imaging Technology, and Computed Tomography at security checkpoints. These technologies increase security effectiveness and reduce false alarms and touch points, while maintaining physical distancing.

To achieve these workforce and equipment goals, we recommend finally ending the diversion of user fees designed to enhance security. Each year billions of dollars in both TSA and CBP user fees are needlessly diverted from their intended purpose to subsidize other Federal programs. In this time of national emergency, it is critical to stop these budgetary gimmicks, end the fee diversion, and ensure the revenue is restored to its intended use of funding and enhancing crucial aviation security programs.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MARSHA BLACKBURN TO
CHRISTOPHER R. BIDWELL

Question 1. Could you please tell me how this period of inaction further hurt struggling tourism operations during this past summer?

Answer. This past summer, international travel volumes remained down significantly compared to normal due to travel restrictions put in place at the start of the COVID-19 pandemic. ACI-NA has long called for the U.S. government to implement a plan to safely reopen our borders to international passenger traffic, and the White House's recent announcement about lifting travel restrictions beginning on November 8, 2021, is a promising step forward for our industry following a long period of depressed international air travel. Airports look forward to the increase in international service at our facilities just in time for the busy holiday travel season.

Question 2. The TSA's National Explosive Detection Canine Program has been incredibly successful. Canine teams undergo months of demanding training to detect explosives based on intelligence data and emerging threats. Could you please elaborate why you are concerned with taking these highly trained dogs away from their primary role of screening passengers and their baggage for explosives?

Answer. TSA's National Explosive Detection Canine Team Program has been an important component of a multi-layered, risk-based security system at U.S. airports. To support enhanced screening of passengers and property, Congress and TSA should look for ways to further support the number of TSA proprietary canine teams and increase the reimbursement for airports with legacy canine teams, which are handled by airport law enforcement officers. We encourage Congress to request TSA to compare the recertification rates of legacy and TSA proprietary canine teams, and implement best practices. Additionally, the TSA's Third-Party Canine-Cargo (3PK9-C) Program for cargo screening has been beneficial in providing consistent security and expanded screening capacity for air cargo.

While there may be some benefit from cross-training TSA canines to detect for COVID-19, as included in the draft of the Omnibus Tourism Act, airports want to ensure these highly trained canines are available for their primary function of screening passengers and their baggage for explosives. Taking any canines off-line

for retraining, certification, or additional breaks could reduce the time they are available at screening checkpoints. This raises potential security concerns and may increase passenger wait times, especially as we are finally seeing a rebound on air travel that is leading to increased passenger volumes at TSA checkpoints. We recommend Congress and the TSA use the findings from a recently launched COVID-19 detection canine pilot at Miami International Airport to inform any similar program initiated by the TSA.

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. AMY KLOBUCHAR TO
CHIRAG SHAH

Business Travel. Travel industry analysts have predicted permanent changes in consumer travel behavior, as employers substitute online meetings for travel and consumers opt to stay home for vacations. Reports have found that by the end of this year, business travel spending in the U.S. will be down 66 percent as compared to 2019—and down 72 percent in Minnesota.

Question. In your testimony, you highlighted that two-thirds of business travelers are now postponing or canceling their travel plans. Can you speak to the impact the fall in business travel has had on hotels, and what steps we can take to address this issue?

The pandemic has been devastating to the hospitality industry, wiping out a decade's worth of revenue and job growth. Business travel is the hotel industry's largest source of revenue and is critical to our industry's viability. As you noted, the hotel industry is projected to end 2021 down more than \$59 billion nationally, or -66.2 percent, and over \$835 million down in Minnesota, or -72.2 percent, in business travel revenue compared to 2019 and not expected to reach pre-pandemic levels until 2023.

Leisure demand on the weekends is slowing down post Labor Day as vacationers have stopped traveling. Business travel demand, which usually provides a buffer in the fall and winter, is not materializing nearly at the levels it would in a normal year to offset the loss. According to a Deloitte survey of 150 travel managers¹, U.S. spending on corporate travel may only reach 25 percent to 35 percent of 2019 levels by the end of 2021, and a year from now, possibly 65 percent to 80 percent. This issue is particularly acute in the major markets and cities that employ most of our workforce and are disproportionately reliant on these types of travelers. Nationally, 52 percent of hotel room revenue comes from business travelers and in Minnesota that figure is 53 percent. Given that business travel is vital for many sectors of the national economy, it is important that the lodging industry and Congress join forces to find solutions to aid its recovery. This lack of business travel has major repercussions for employment, which underscores the *need* for targeted relief.

Hotels are expected to end 2021 down nearly 500,000 jobs nationally compared to 2019. For every 10 people directly employed on a hotel property, hotels support an additional 26 jobs in the community, from restaurants and retail to hotel supply companies—meaning an additional nearly 1.3 million hotel-supported jobs are also at risk. The hospitality industry needs legislation that would secure help for our distressed sector by providing hotels with payroll and benefits assistance until travel patterns return and the travel sector experiences a more even recovery. *Passing the Save Hotel Jobs Act (S.1519) would provide critical payroll and benefits support to hotels and employees who have been devastated by the pandemic.* By providing funds that will exclusively be used on wages, leave, healthcare expenses, retirement, and payroll taxes, hotels will be able to keep employees on payroll as well as employ many more individuals.

COVID-19 is the worst economic event in the history of the U.S. hotel industry. Despite being among the hardest hit, hotels are the only segment of the hospitality and leisure industry yet to receive direct aid. Hotels and their employees have displayed extraordinary resilience in the face of unprecedented economic challenges, but the industry needs support from Congress to achieve a full recovery.

¹ <https://www2.deloitte.com/us/en/insights/focus/transportation/future-of-business-travel-post-covid.html?id=us:2el:3pr:4di:7303:5awa::MMDDYY:&pkid=1007740>

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MARSHA BLACKBURN TO
CHIRAG SHAH

Question 1. Could you please tell me how this period of inaction further hurt struggling tourism operations during this past summer?

Answer. The road to recovery for the hotel industry remains long and uneven. The lodging industry began to see an uptick this past Spring and Summer with leisure travel resuming. Business travel, which generated 53 percent of hotels revenue in typical years, on the other hand was still at a standstill.

Nationwide occupancies declined rapidly in August as Delta variant concerns increased and critical meetings and business travel, as well as international visitors, failed to materialize. This issue is particularly acute in the major markets and cities that employ the vast majority of our workforce and are disproportionately reliant on these types of travelers. For example, Las Vegas visitor volume dropped by over 9 percent in August versus July. Consequently, urban market hotels were down more than 35 percent in revenue compared to 2019, according to STR, and we expect these figures to worsen through the rest of the year.

It is projected that the lack of business travel alone this year will cost the hotel industry nearly \$59 billion and overall, it is estimated that hotels will lose close to \$97 billion in 2021. While there was a glimpse of hope through the summer months in certain markets, there is still a major uphill battle ahead for the majority of hotels throughout the country. Business travel is not expected to return to 2019 levels until 2024. Most major events, conventions and business meetings have also already been canceled or postponed until at least 2022.

Hotels are the only segment of the hospitality and leisure industry yet to receive direct aid despite being among the hardest hit. That is why AHLA and UNITE HERE, the largest hospitality workers' union in North America, joined forces to call on Congress to pass the bipartisan *Save Hotel Jobs Act* (S. 1519/H.R. 3093). This legislation would provide a lifeline to hotel workers, providing the assistance they need to survive until travel, especially business travel, returns to pre-pandemic levels.

Question 2. In your testimony, you mention the “cruel irony” of hotels struggling to staff up while enduring historically low occupancy rates. How have owners approached labor shortages in the industry during the summer months?

Answer. As a result of the economic devastation caused by the COVID-19 pandemic, the lodging industry lost over 700,000 jobs in 2020, out of the 2.3 million workers employed directly in hotels pre-pandemic. We are expecting to remain down by 500,000 in 2021, if not worse than that due to challenges from the Delta variant.

When leisure travel resumed in part during the summer months, the hotel industry found itself needing to quickly fill *thousands* of open positions to meet the uptick in consumer travel demand. Despite the fact that most hotels remained significantly worse off than 2019, they desperately needed to fill jobs to serve the customers that *were* coming and take in what revenue they could. To entice more workers to join the industry, hotels have offered employees more competitive pay, flexible scheduling, and additional benefits, including paid time off, health care benefits, retirement savings and more. Also, hotels are looking to create and implement more growth and development opportunities across the industry.

AHLA has begun the ‘Hotels Are Hiring’ campaign to help fill the thousands of open jobs and communicate the benefits of a career in the hotel industry. The HotelsareHiring.com portal provides resources for job seekers to help learn about a career in the industry and apply for open jobs. Additionally, the *Save Hotel Jobs Act* was catered particularly for hotel *workers*—by securing help for our distressed sector through providing hotels with *payroll and benefits assistance* until travel patterns return and the travel sector experiences a more even recovery.