



December 13, 2021

Dear Member of Congress:

As you work to wrap up the first session of the 117th Congress, I implore you not to leave Washington without addressing the needs of small businesses continuing to struggle because of the coronavirus pandemic (COVID-19). More than 160,000 Americans work in the travel agency sector, which given our members' focus on international travel remains uniquely exposed to this global crisis. Each new coronavirus variant brings with it new recovery-crushing travel restrictions and on behalf of the American Society of Travel Advisors (ASTA), I urge you to use any appropriate year-end legislative vehicle restore the Employee Retention Tax Credit (ERTC) for at least the 4th quarter of 2021. Simply put, without the ERTC or equivalent relief, many travel agencies across the country may not survive the latest setbacks.

As a result of 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 71 percent compared to 2019 according to ASTA 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 more than 40 percent of its staff. As relief programs run dry, it is deeply frustrating to our nation's small businesses that Congress continues to kick the can down the road when they are facing existential business challenges entirely outside of their control.

While early relief programs provided some breathing room for travel agencies, the assistance was untargeted, modest and short-lived. This was further exacerbated by the early termination of the ERTC in the Infrastructure Investment and Jobs Act (P.L. 117-58). Without additional federal relief, our industry faces the prospect of continued agency closures and consolidation, mass layoffs and termination of independent contractor relationships. The ERTC provided a refundable tax credit equal to up to \$7,000 per employee per quarter in 2021 and with Paycheck Protection Program (PPP) funds decimated, travel agencies were counting on ERTC support as they make rehiring decisions and otherwise made plans for maintaining their businesses through the fourth quarter.

Government action – here and abroad – over the past 18 months 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 further understand 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. Ending the ERTC early – in the midst of an extraordinarily challenging business environment – freezes the process of rehiring furloughed employees, will lead to additional rounds of layoffs and increase the chances of further agency

closures and consolidation. We also note that affected employees will face a much less generous system of unemployment benefits than was the case in mid-2020.

According to the U.S. Census Bureau, 98 percent of travel agencies in this country 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 nearly 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.

On behalf of the small business owners we represent and the employees who rely on them for their livelihoods, we urge you to restore the ERTC at least through the end of the year, as laid out in the recently introduced Employee Retention Tax Credit Reinstatement Act (H.R. 6161). We further encourage you to ensure that your constituents in the travel agency sector are eligible for any new or expanded relief programs created by legislation reportedly under development by the House and Senate Small Business Committees.

Thank you for considering our views on this critical issue. If you have any questions about this or any issue related to the travel and tourism industry, please don't hesitate to contact me or Eben Peck, ASTA's Executive Vice President of Advocacy, at (703) 739-6842 or epeck@asta.org.

Yours Sincerely,

A handwritten signature in cursive script, appearing to read "Z. Kerby".

Zane Kerby
President and Chief Executive Officer