March 18, 2020

The Honorable Nydia Velazquez  The Honorable Steven Chabot
Chair  Ranking Member
House Committee on Small Business  House Committee on Small Business
2302 Rayburn House Office Building  2408 Rayburn House Office Building
Washington, DC 20515  Washington, DC 20515

Dear Chairwoman Velazquez and Ranking Member Chabot:

On behalf of the American Society of Travel Advisors (ASTA) and the more than 140,000 Americans who work at travel agencies across the country, I am writing to present our industry’s views what Congress can do to protect our small business members through and after the coronavirus pandemic.

As you know from our committee testimony last week, the vast majority of U.S. travel agencies (98 percent) are small businesses according to Small Business Administration’s (SBA) 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. There are an additional 40,000 self-employed travel advisors. Of note, our ranks include substantial numbers of members in New York (579) and Ohio (182).

Travel advisors – whether online, brick-and-mortar or hybrid business models in between – play a critical role in our country’s commercial aviation system and the broader travel and tourism industry. Advisors are responsible for the sale of the majority of air travel in the U.S., selling $86 billion worth of tickets in 155 million transactions in 2016 alone, or over 300,000 air tickets per day.

Due to the coronavirus crisis and its impact on travel, new business has largely come to a halt in the past few weeks and layoffs and agency closures have begun in earnest. As of March 6, 52.5 percent of ASTA members surveyed predicted they would be out of business in six months or less if current conditions hold, and the situation has deteriorated dramatically since then.

Discussions about targeted financial relief for the travel sector are fast-moving with requests ranging from $58 billion from passenger and cargo airlines to $10 billion for U.S. airports. We feel strongly that any targeted relief for the travel industry should be open to travel agencies and not simply limited to the largest companies in the industry. A scenario where the largest travel companies survive and recover from this crisis while the thousands of overwhelmingly small businesses that distribute their products are allowed to fail is an unacceptably outcome.
In addition to any and all tax relief targeted at travel and/or small businesses, our requests to Congress are as follows:

- **Grants** – Grants to ticket agents as defined in 49 U.S.C. 40102(45) in the aggregate amount of $7.7 billion to compensate for reduced liquidity (net of financing) – from December 31, 2019 through December 31, 2020 – attributable to the novel Coronavirus (or COVID-19). This amount represents projected 2020 revenue loss based on a wide-ranging survey of over 1,500 ASTA members conducted on March 5 and 6, 2020, and is almost certainly conservative.

- **Loans** – A voluntary liquidity facility program in an aggregate amount up to $6 billion pursuant to which the Federal Reserve would purchase financial instruments from or provide zero interest unsecured loans or zero interest unsecured loan guarantees to ticket agents as defined in 49 U.S.C. 40102(45). This amount takes Airlines for America’s request for loans for passenger airlines and adjusts it proportionally based on passenger airline 2019 employment (according to the Bureau of Transportation Statistics) versus 2017 travel agency employment (according to the U.S. Census Bureau, latest available).

- **SBA Loans** – We were pleased to see that the recently-enacted Coronavirus Preparedness and Response Supplemental Appropriations Act of 2020 (P.L. 116-123) included funding to enable the SBA to provide an estimated $7 billion in loans to help small businesses impacted by financial losses as a result of the coronavirus outbreak. More funding is certainly needed, and so we request that Congress fully fund President Trump’s March 11 request for an additional $50 billion in SBA loans and that loan collateral requirements be reduced or waived entirely.

Thank you for considering our views at what we know is a challenging time for you. We stand ready to provide any information necessary to bring the items discussed above to fruition. If there is anything ASTA can do to help advance these policy proposals, or if you or your staff have any questions on this or any issues related to the travel industry, please don’t hesitate to contact me or Eben Peck, ASTA’s Executive Vice President for Advocacy, at (703) 739-6842 or epeck@asta.org.

Yours Sincerely,

Zane Kerby
President and Chief Executive Officer