

January 25, 2022

The Honorable Rick Scott 502 Hart Senate Office Building Washington, DC 20510

Dear Senator Scott:

On behalf of the American Society of Travel Advisors (ASTA) and more than 15,000 Floridians who work in the travel agency sector in your state, thank you for your January 14 letter regarding travel to Cuba and for the opportunity to respond to your concerns.

While we have no illusions about the intensity of feelings that U.S.-Cuba relations generates in the U.S. Congress, ASTA has long believed in the fundamental principle of travel freedom. Specifically, we believe that the American people are the best ambassadors of U.S. values abroad, and should be allowed to freely promulgate those values through travel to any destination they wish without restriction from their own government.

That said, since the onset of the coronavirus (COVID-19) pandemic we as an organization have not meaningfully engaged on the issue of travel to Cuba – nor any other of the broad range of policy issues impacting our members on which we have historically engaged. The reason will be familiar to you, given the centrality of travel and tourism to Florida's economy: 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 as of October 2021 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 more than 40 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 over eight months' delay.

While the Continuing Appropriations Act of 2021 (P.L. 116-159) and American Rescue Plan Act of 2021 (P.L. 117-2) provided some breathing room for travel agencies early last year in the form of a second round of Paycheck Protection Program (PPP) loans and an extension of the Employee Retention Tax Credit (ERTC), the assistance was untargeted, modest and short-lived – and in some cases terminated ahead of schedule, as was the case for with ERTC in the Infrastructure Investment and Jobs Act (P.L. 117-58). Without additional federal relief and a lifting of the myriad government restrictions that remain on international travel our industry faces the prospect of continued agency closures and consolidation, layoffs and termination of independent contractor (IC) relationships.

As such, for the foreseeable future our focus will, and must, remain on doing whatever is necessary to provide support to these travel-reliant small businesses and the workers who rely on them for their livelihoods. We urge your support for our legislative priorities toward that end, including passage of the Employee Retention Tax Credit Reinstatement Act (H.R. 6161) and ensuring that your constituents in the travel agency sector are eligible for any new or expanded relief programs in legislation reportedly under development by the House and Senate Small Business Committees. We would also welcome collaboration with your office to support the safe resumption of cruising, an issue we know you care deeply about, as well on modifications to the U.S. Centers for Disease Control and Prevention's (CDC) inbound testing requirements, which today are the primary roadblock toward a full restart of the international travel system.¹

The vast majority of Florida travel agencies (98 percent) are small businesses under the 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 1,200 retail locations in the state, employing over 9,900 people, plus an additional 6,000 self-employed travel advisors working as ICs. On behalf of these Floridians and our sector as a whole, thank you for considering both our policy priorities and our views on these issues. We stand ready to meet with you or your staff to discuss them in detail at any time.

If you have any questions on these or any issue related to the travel industry, please don't hesitate to contact me or Eben Peck, ASTA's Executive Vice President, Advocacy, at (703) 739-6842 or epeck@asta.org.

Yours Sincerely,

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President & CEO

¹ U.S. Centers for Disease Control and Prevention. (2021, December). Requirement for Proof of Negative COVID-19 Test or Documentation of Recovery from COVID-19. https://www.cdc.gov/coronavirus/2019-ncov/travelers/testing-international-air-travelers.html