



American Society of
Travel Advisors

August 31, 2021

The Honorable Ron Wyden
Chairman
U.S. Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Richard Neal
Chairman
U.S. House Committee on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Chairmen Wyden and Neal:

I am writing on behalf of the American Society of Travel Advisors (ASTA) and the more than 160,000 Americans who work in the travel agency sector to urge you, in the context of the reconciliation instructions issued to your committees under the Fiscal Year 2022 budget resolution (S. Con. Res. 14), to maintain the Employee Retention Tax Credit (ERTC) at least through the end of the current calendar year.

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 1,307 people working at 181 agencies in Oregon and 3,372 at 474 agencies in Massachusetts.

As a result of the coronavirus (COVID-19) pandemic and the governmental response to it starting in March 2020, the travel agency business came to an almost complete halt. The subsequent recovery has been both painfully slow and uneven, with average revenues 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 travel agency W-2 workforce has been reduced by more than 40,000 people. With government restrictions on travel ongoing and no end to the pandemic in sight, without additional support from Congress the very future of this sector of the travel industry is at risk.

Instead of providing any such support, Section 80604 of the pending bipartisan infrastructure bill (H.R.3684, as amended) would move up the ERTC's expiration date by one quarter, from December 31, 2021 to September 30, 2021. This program, created by the CARES Act and subsequently extended, is one of the last remaining federal COVID relief programs accessible to travel agencies, providing a refundable tax credit equal to up to \$7,000 per employee per quarter in 2021. With Paycheck Protection Program (PPP) funds running dry, travel agencies have been counting on ERTC support as they make rehiring decisions and otherwise make plans for

maintaining their businesses through the fourth quarter. Ending it early – in the midst of an extraordinarily challenging business environment – will stop the process of rehiring furloughed employees, lead to additional rounds of layoffs and increase the likelihood of further agency closures and consolidation. We should also note that affected employees will face a much less generous system of unemployment benefits than was the case in mid-2020.

On behalf of the small business owners we represent and the employees who rely on them for their livelihoods, we urge you in the strongest possible terms to maintain the ERTC at least through the end of the year and ideally into 2022. If changes must be made, please consider increasing the revenue-loss threshold back to the 50 percent level established when it was created in March 2020. In our view, if the absence of additional small business support from the federal government the credit should be not just extended into 2022 but increased for those businesses continuing to suffer at least a 50 percent revenue loss, with more generous benefits on a sliding scale for those suffering a 75 percent loss.

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 black ink, appearing to read "Zane Kerby". The signature is fluid and cursive, with the first name "Zane" written in a larger, more prominent script than the last name "Kerby".

Zane Kerby
President and Chief Executive Officer