



**The Honorable Mitch McConnell**

Majority Leader  
United States Senate  
Washington, DC 20510

**The Honorable Nancy Pelosi**

Speaker of the House of Representatives  
United States House of Representatives  
Washington, DC 20510

**The Honorable Charles Schumer**

Minority Leader  
United States Senate  
Washington, DC 20510

**The Honorable Kevin McCarthy**

Minority Leader  
United States House of Representatives  
Washington, DC 20510

March 23, 2020

Dear Leader McConnell, Leader Schumer, Speaker Pelosi, and Leader McCarthy:

We are the united voice of the California travel and tourism industry. We would like an opportunity to communicate directly with you and the administration on how the COVID-19 pandemic is impacting our industry.

Travel and tourism is one of California's most vital engines for economic growth. Prior to this pandemic, travelers injected hundreds of millions of dollars into communities across the Golden State, infusing \$141 billion into the state's economy in 2018. This spending generated \$11.8 billion in local and state tax revenue and supported almost 1.2 million jobs for Californians.

As the fifth-largest economy in the world, California cannot afford to lose a thriving tourism economy. Visit California and the state's tourism industry have helped drive consumer demand for California around the world, which has delivered hundreds of billions of visitor spending not just to California, but has impacted the entire country. Before the pandemic, California was the nation's number one travel destination.

During these unprecedented times, it is appropriate to underscore the impacts on our tourism businesses, their employees and families, and their communities. While we understand and support the efforts underway to prevent the spread of coronavirus, it is our responsibility to also plan for the future economic viability of businesses small and large and the state of California as a whole.

We support U.S. Travel's efforts to secure the following priorities:

**Title I**

- Expand the Sec.1102(a)(D)(iv) 'Business Concerns with more than 1 physical location' to include other severely impacted industries, including 71 (arts and entertainment) and 44-45 (retail trade).
  - These industries have been severely impacted by closures and lack of customers related to public health restrictions.
- Allow all tax-exempt organizations under Section 501(c) of the tax code to apply for SBA interruption loans under Title I, including 501(c)(6) and 501(c)(7) organizations.
  - Non-profits in travel and tourism, particularly convention centers and destination marketing organizations that rely on hotel and room taxes, have been particularly hard hit.
- Allow the maximum loan size for SBA interruption loans to be based on four times the cost of payroll, rent, and mortgage interest, up to \$10 million; and increase appropriations for the program to \$500B to allow for such a change.
  - Increasing the amount to \$500 billion provides parity with the Treasury Department program for larger businesses, since small businesses are particularly impacted and equally important to the overall economy.
  - Increasing the maximum loan amount from 2.5x monthly payroll to 4x operating costs is the amount is necessary to provide support for small businesses that will continue to face prolonged revenue and customer reductions due to public health measures.

As you consider options for recovery programs, please remember the California travel and tourism industry.

Signed,

California Travel & Tourism Coalition

# CALIFORNIA TRAVEL & TOURISM COALITION



