U.S. TRAVEL ASSOCIATION®

PUBLIC AFFAIRS UPDATE

This week

Earlier this week, it appeared talks between the administration and the U.S. House of Representatives were trending to reach an agreement on a coronavirus recovery package. However, latest reports suggest that conversations have again stalled, leaving millions of businesses and workers across the U.S. in flux on whether they will receive any relief ahead of the election. In fact, House Democrats voted tonight and by a very slim vote, passed a $2.2 trillion dollar "skinny" HEROES bill. It is well known that the Senate will not be able to pass this package.

In an effort to put more pressure on Congress and the Administration to reach a deal this week, U.S. Travel Association joined 225 partner organizations representing millions of U.S. employees to form the **COVID RELIEF NOW Coalition** to deliver a stark call for relief from Washington before the election. Our message is simple: **No recess without relief.**

Congress must come together to pass a bipartisan recovery package before the election. Huge segments of our industry have been unable to access relief provided in the CARES Act, and those that were able to in the spring are still in dire need of support—particularly when it comes to the Paycheck Protection Program.

The Coalition has released a toolkit of resources for you to help us urge Congress and the administration to advance relief legislation immediately, including an action alert you can access below. **We must activate together NOW. Please use the resources to contact your representative *tomorrow*, send to your network and help us make sure our message cannot be ignored. We must let Congress know; they need to reconsider a bill that can pass both chambers of Congress. Waiting until after the election is**

irresponsible. Questions? Contact Tori Emerson Barnes, executive vice president of public affairs and policy.

ACTION ALERT

Following a very successful September for the Let's Go There campaign, the Coalition is looking ahead to the next round of messaging, focused on giving the gift of travel this holiday season. Save the date for a mid-November launch with fresh resources to support this second phase of the campaign.

Resources remain available for industry use to keep the momentum going in the meantime.

TOOLKIT

Real ID

Today marks one-year before the Real ID enforcement deadline goes into effect. The deadline was postponed from 2020 to 2021 due to the coronavirus pandemic, but we firmly believe it must be further delayed to avoid further stalling travel's recovery. Read our full statement.

ECONOMIC IMPACT: A WEEKLY ANALYSIS

Analysis by Tourism Economics shows a week-by-week outlook on travel spending in the U.S. The analysis also looks at regional and state-by-state breakdowns.

- **Travel spending's recent slide ceased last week with a slight 1% uptick**
  - In the week ending September 26, travel spending tallied $12.3 billion—a slight increase from last week but still lower than the preceding six weeks—and reflected a 44% drop below last year's levels (a $9.8 billion loss)
  - The -45% year-over-year range has become a new normal as eight of the past nine weeks registered within that range, the lone exception being the Labor Day holiday week (-30%)
    - The Mid Atlantic has lagged the rest of the country in the past three months, with New York and New Jersey severely underperforming the rest of the country
    - The West region has seen the most marked improvement, with 10 of the 13 states in the region improving by at least 10% relative to 2019 levels
  - Since the beginning of March, the COVID-19 pandemic has resulted in over $396 billion in cumulative losses for the U.S. travel economy
  - The continual depressed level of travel spending has caused a loss of $50.9 billion in federal, state, and local tax revenue since March 1

FULL REPORT

U.S. TRAVEL WEBINARS

The Recovery of Air Travel

Earlier today during the latest webinar in the Assessing Recovery series, the importance of air travel recovery was explored as well as the current state of air travel, updates that have been made to the experience and where it is headed. A panel discussion focused on how the air travel experience has changed, including health and safety protocols in place at airports

as well as onboard aircraft, an update on how the pilot program for rapid COVID-19 testing at airports is going and what to expect during the upcoming holiday travel season.

Featured speakers:

- Tori Emerson Barnes, executive vice president of public affairs and policy, U.S. Travel Association
- Jeff Davidman, vice president of state and local government affairs, Delta Air Lines
- Ivar Satero, airport director, San Francisco International Airport

View the full slide deck.

FULL RECORDING

Stay tuned for more details about our next Assessing Recovery webinar. Access all recordings on our Assessing Recovery series webpage.

TRACKING TRAVELER TRENDS

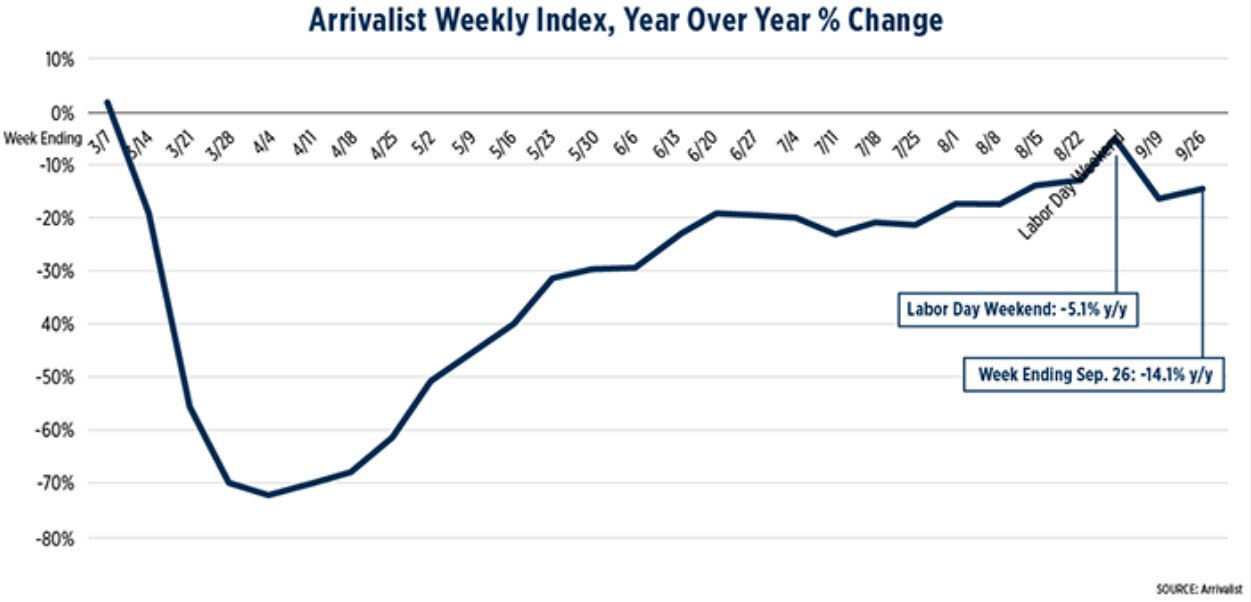
Air travel continued to grow slowly but steadily with year-over-year (y/y) rates (-68%) inching slightly better, but still negative. Road travel improved slightly from the previous week but was significantly worse than its strong performance over Labor Day weekend. Domestic bookings for future air and hotel travel declined considerably, with many areas that have performed well over the summer now experiencing significant declines on a y/y basis.

Road Travel: Daily and Weekly Travel Index

Arrivalist's Daily Travel Index measures consumer road trips of 50 miles or more in all 50 U.S. states.

- **Road travel improved slightly (on a y/y basis) from the previous week, but remains considerably lower than the Labor Day weekend**
    - After experiencing levels that nearly matched those of 2019 over the Labor Day travel period (just -5% compared to 2019), road travel performed significantly worse in the past two weeks (-14% y/y last week)

- The latest y/y declines are similar to those of mid-August and significantly improved from lows of -70% y/y in early April



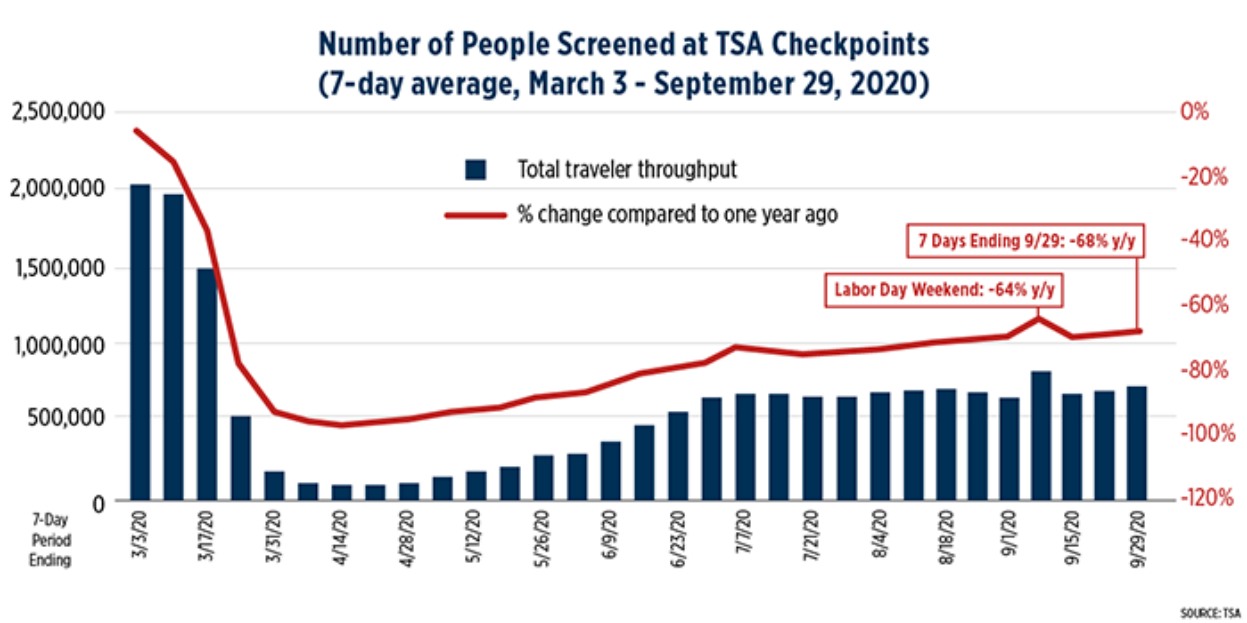
DAILY TRAVEL INDEX

Source: Arrivalist

Passenger Screenings at TSA

The Transportation Security Administration (TSA) updates passenger screenings on a daily basis, providing a comparison to the same time last year.

- After slowing down following Labor Day weekend, the **latest seven-day average of daily screenings (through Tuesday September 29) was slightly higher than the previous two weeks**
  - At 737,000, daily screenings were 3.6% higher than the previous week and the highest since the start of the pandemic (except Labor Day)
- Screenings over the last seven days were 68% lower than in the same period last year, better than any week since March (except Labor Day)



Source: TSA

Hotel and Air: Traveler Trends Tracker

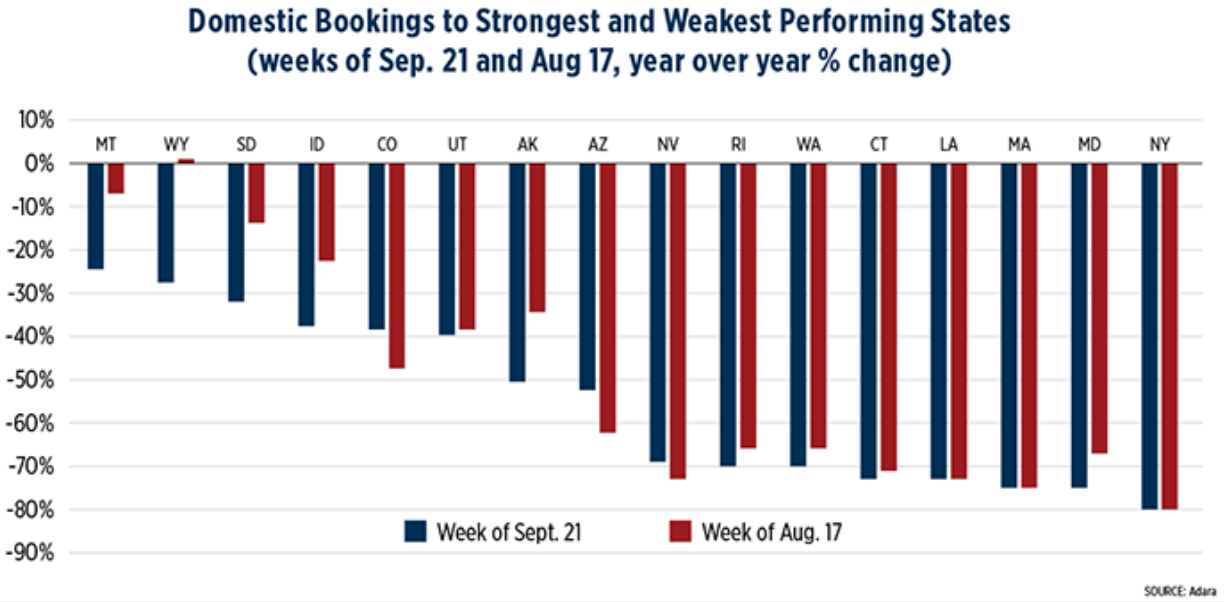
ADARA's Traveler Trends Tracker taps into real-time travel data on travel-related consumer behavior including hotel volume and flight bookings for both business and leisure travel. Updated daily.

In addition, ADARA directly provides U.S. Travel with national and state-level booking data, summarized below:

- **After consistently improving since early July, domestic air and hotel bookings for future travel were significantly lower last week**—falling from -54% y/y two weeks ago to -65% y/y this past week
- While regional differences remain large, the gap has narrowed due to weaker performance in states that have experienced the lowest y/y declines, which are now largely driving the decline in overall domestic bookings
    - Domestic bookings to Wyoming (-38%), South Dakota (-33%) and Montana (-25%) experienced the lowest y/y declines but performed significantly worse than they did in recent weeks; the y/y change in bookings in the week of August 17 to these state were: WY: +1%, SD: -14% and MT: -7%
    - Domestic bookings to New York (-81%), Maryland (-76%), Massachusetts (76%) and Louisiana (-74%) experienced the highest declines, but all except for Maryland performed

exactly the same as they did in the week of August 17(MD bookings declined from -68% to -76%)

- International bookings for future travel to the U.S. fared even worse than domestic bookings and fell for the second consecutive week—from -67% y/y three weeks ago to -84% y/y last week



TRAVELER TRENDS TRACKER

Source: ADARA

Visitation Trends: U.S. National Parks

This exclusive dashboard monitors daily unique mobile devices across various points of interest at sample U.S. national parks, providing a breakdown of top origin cities and driving distances. *Note: the Visitation Tracker will be updated with new data on Monday, October 5.*

NATIONAL PARKS DASHBOARD

Source: Rove Marketing and Uber Media

TRAVELER AND CONSUMER SENTIMENT SURVEY RESULTS

Coronavirus Travel Sentiment Index Report

September 27-29, 2020

- **When a traveler successfully completes a trip, their confidence for future travel increases**
    - Those who are “already traveling” expressed nearly three times as much confidence in their ability to travel safely right now than the average survey respondent (76% vs 27%)
- Pandemic-era travelers indicated that they were not travel shamed by their peers, but did express feeling some post-travel guilt
- When it comes to their choice of airlines, pandemic travelers sought out companies that are taking extra precautions to keep their customers safe, such as keeping middle seats empty

Source: Destination Analysts (September 29)

- **After a month-long period of the lowest levels of concerns since May, the number of Americans with high degrees of concerns about contracting the coronavirus rose recently**
    - Similarly, after a stable period in expectations for the course of the virus, the percent of Americans who feel that things will get worse in the next month increased from 38% to 43%
    - These rising concerns appear to be affecting confidence that travel can be done safely; only 27% are now confident or very confident they can travel safely, down from 31% the previous week
- Nevertheless, three-quarters continue to report having at least tentative trip plans
    - Over 57% agree that having a vacation scheduled in the next six months would be something happy to look forward to

- With nearly 60% of respondents reporting that they can work remotely and many children receiving education virtually, there is interest in “workcations” or “schoolcations”—travel where people visit a vacation destination while still working or studying remotely—with just under half expressing strong interest

Source: Destination Analysts (September 27)

National Tracking Poll: COVID-19 and Travel Sentiment

September 29, 2020

- **When asked about the most important factors to consider booking lodging over the next six months, respondents listed the following factors they look for at lodging properties:**
    - Clear cleaning and hygiene program (55%)
    - Mask wearing requirement and/or social distancing policies in public areas (47%)
    - All staff are regularly tested for COVID-19 (42%)
    - Staff are required to use personal protective equipment (41%)
    - Rooms are unused for at least 24-48 hours before check-in (35%)
- Two in 10 are not planning on staying in any accommodations in the next six months

Source: Longwoods International supported by Miles Partnership

Back-to-Normal Barometer

September 30, 2020

- **Nearly two thirds of respondents said they are ready to attend a conference or convention**
    - Willingness to take business trips in the next 6 to 12 months has been steadily increasing over the past couple of weeks with 60% now saying they are likely to do so
    - When asked who will decide when it is time to take the next business trips, 40% of (former) business travelers answered that it will be their supervisor who will decide

- Nearly half (48%) of business travelers said that if they were asked to attend a business meeting for which they would need to fly, they would be likely to attend in person
- 43% agreed that if a large conference they typically attend were taking place in March 2021 in a city where they would need to fly, they would pay now to reserve a spot

Source: Engagious

The Harris Poll CV-19 Tracker

September 27, 2020

- **Four in 10 survey respondents miss flying**
- Most respondents said they would be interested in a "flight to nowhere,"—air travel that takes place purely for the purpose of the journey, not the destination
- The top reasons mentioned for those interested in a flight to nowhere are:
  - We all need a moment of escape (53%)
  - It would feel like a mini-vacation (52%)
  - I need a change of scenery (44%)
  - I would satisfy my itch to travel (38%)

Source: Harris Poll

INTERNATIONAL TRAVEL TRENDS

- International inbound travel has only improved very slightly in recent months
  - In April, monthly arrivals were down 96.4% compared to 2019, in June they were down 94.8% and in July 93.1%
- Overseas travel to the U.S. (excludes Canada and Mexico) has remained consistently bleak
  - In April, monthly arrivals were down 99.6% compared to 2019, in June they were down 98.9%, in July 97.6% and in August 96.2%
- While Canadian visitations declined by a staggering 97.4% in July, Mexican visitations declined by "only" 76.2%, making it the best performing inbound market

- **As a result, Mexican visitations accounted for 75% of all international visitations to the U.S. in recent months; they accounted for 25% prior to the pandemic**

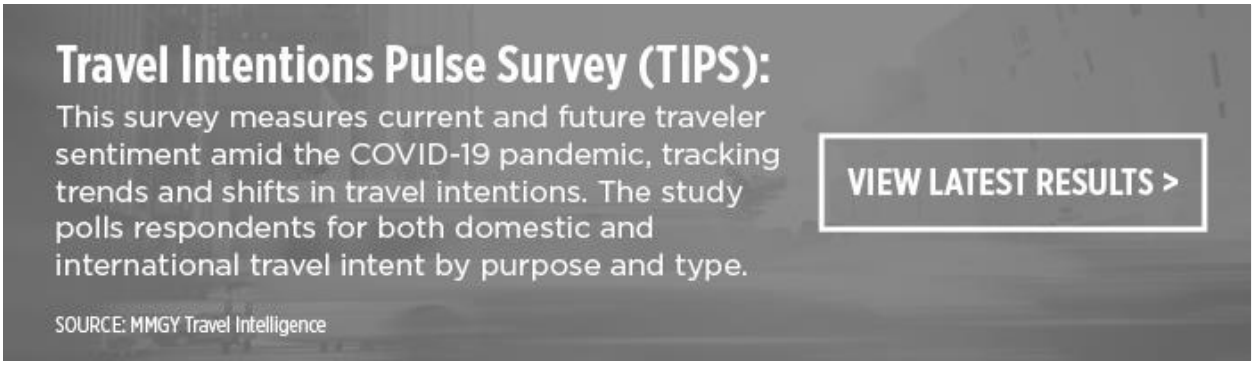
Source: National Travel and Tourism Office

TO RECOVERY AND BEYOND

September 2020

- World Travel and Tourism Council explores the impact of COVID-19 on the travel industry by examining four emerging trends and their implications on four key stakeholders: travelers, businesses, workforce and communities
  - **Demand Evolution: Traveler preferences and behaviors have shifted toward low risk, familiar, predictable, and trusted**. Domestic regional travel, extensive planning, and the outdoors will reign in the short-term. Travelers are prioritizing independence and authenticity and will require reassurance to travel safely
  - **Health & Hygiene**: Health, safety and trust are paramount. Personal experiences, the fear of potential quarantines and concerns for distancing will guide consumer behavior in the short- to mid-term
  - **Innovation & Digitization**: COVID-19 is proving to be an unexpected catalyst in the quest for innovation and the integration of new technologies. Consumers now expect contactless technologies, among others, as a basic prerequisite for a safe and seamless travel experience
  - **Sustainability**: From widespread unemployment and anti-racism movements to the restoration of natural habitats, the world has been reinvigorated to tackle social, environmental, and institutional sustainability

Source: World Travel and Tourism Council



RESOURCES AND EXAMPLES FROM AROUND THE INDUSTRY

- COVID-19 Resources | MMGY Global Intelligence
- COVID-19 Recovery Dashboard - September | PCMA
- Second Wave Brings Uncertainty to Business Travel Recovery | Global Business Travel Association
- COVID-19 Travel Sentiment Analysis | Satya Analytics and Tourism Alchemy
- International Arrivals through August 2020 | National Travel and Tourism Office
- U.S. Lodging Market Trends September 19 | JLL
- Reassuring Travelers Through Messaging | Expedia Media Group Solutions
- Creative Strategies for Marketing Road Trips | Miles Partnership
- Travel Industry Turned Upside Down | McKinsey & Company

UPCOMING INDUSTRY WEBINARS

- **Ongoing** | COVID-19 Webinar Series | Expedia Media Group Solutions
- **October 5-8** | 2020 Marketing Outlook Forum | Travel and Tourism Research Association
- **October 7–8** | Travel 2021 Summit: Explore the New Face of Travel in a Virus-Weary World | VRBO
- **October 8 at 4:00 p.m. ET** | Staying Ahead of Changing Consumer Attitudes and Buying Behaviors | Star Tribune and Magid Research

QUESTIONS?

Access top findings each week on our COVID-19 Travel Industry Research webpage.

Please submit any questions to us. We will do our best to reply in a timely manner.

You received this email because you participated in a recent webinar or have a relationship with U.S. Travel Association. If you have a colleague who would appreciate receiving these updates, please have them sign up here.