U.S. TRAVEL ASSOCIATION®

PUBLIC AFFAIRS UPDATE

To the U.S. travel community: *Yesterday I shared my thoughts on the events of this past week, which weigh heavily on all of us. There is no question that our country must confront this situation and commit to getting it right. Addressing racism and human injustice and extending dignity to all is a role we each must play to be a force for change.*

Together, we can build a future that respects the dignity and humanity of all Americans. Now as always, we are in this together.

Roger J. Dow
President and CEO
U.S. Travel Association

This week:

Paycheck Protection Program Update

Last night, the U.S. Senate passed H.R. 7010, the Paycheck Protection Program Flexibility Act. The bill includes important enhancements—many of which U.S. Travel championed—most notably modifying the portion of funds that can be used for non-payroll expenses and

extending the time period during which funds must be spent in order to qualify for loan forgiveness from eight weeks to 24 weeks.

However, our industry needs additional modifications to the Paycheck Protection Program, in particular, destination marketing organizations (DMOs) of all statuses remain ineligible for the program. U.S. Travel will continue to aggressively advocate for the expansion of eligibility to DMOs and may call on our industry for additional help. Thank you to all those who already activated over the last several weeks.

- On Tuesday, NYC & Company President and CEO Fred Dixon and Discover Puerto Rico CEO Brad Dean placed an op-ed: "Nonprofits Need Relief to Help the Economic Recovery, Too" calling for additional relief. If you're interested in penning a similar op-ed or letter to the editor, we would love to work with you to help draft one, and we also have templates on our website.

Resources

- **Relief for DMOs: Understanding Economic Development Administration (EDA) Grants Webinar:** Yesterday, U.S. Travel and Destinations International hosted a webinar with EDA representatives who provided more information about EDA grants that is particularly encouraging for our industry to secure additional relief. If you have additional questions about who is eligible for these grants, how the application process works and what types of projects may be funded, please do not hesitate to reach out and we will work to get you an answer as quickly as possible.

  Access the full slide deck here and the full recording here. EDA also released a FAQ with more information

- **Updated**: Paycheck Protection Program and Payroll Tax Relief fact sheets that include details from the Paycheck Protection Program Flexibility Act passed last night
- **Updated**: Exchange Stabilization Fund Federal Reserve Facilities and Programs fact sheet includes details about expanded eligibility for the Municipal Liquidity Facility to include bonds issued by airports, transit authorities, and other instrumentalities of State or local government

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 breakdown.

- **National weekly travel spending grew by 15% to $4.3 billion last week (its highest level since March), but remains severely depressed at about 20% of the average level seen in the weeks leading up to the pandemic**
    - Since the beginning of March, the COVID-19 pandemic has resulted in over $215 billion in cumulative losses for the U.S. travel economy
    - The District of Columbia, Hawaii, and Massachusetts again suffered declines exceeding 90% in the week ending May 30
    - The number of states with weekly losses of less than 80% has expanded to 32 states with Mississippi and Alabama featuring losses of less than 70%
    - The gains for the week ending May 30 were more evenly distributed across the country than in previous weeks, though the Northeast had been lagging as other regions improved; however all Northeast states experienced moderate gains
- The continual depressed level of travel spending has caused a loss of $27.5 billion in federal, state, and local tax revenue since March 1
    - This includes $17 billion in federal taxes, $6.3 billion in state taxes, and $4.1 billion in local tax revenue

FULL REPORT

U.S. TRAVEL WEBINARS

Assessing Recovery Webinar Series

The latest webinar in the Assessing Recovery Series, "**Best Practices for Communicating Health and Safety Guidance at Businesses**," focused on insights and lessons learned from hotels, attractions and airports. Access the full deck here.

Guest speakers:

- **Ivar Satero**, airport director at San Francisco International Airport (SFO)
- **Jason Freeman**, vice president of security, safety, health & environmental at Six Flags, Inc.
- **Tom O'Shea**, managing director for Sunriver Resort, Oregon

FULL RECORDING

TRACKING TRAVELER TRENDS

Aligning with consumer sentiment that suggests travelers are more comfortable traveling by car, this mode of transportation has recovered most of its loss, whereas it will likely take air travel many months to get closer to normal screening trends.

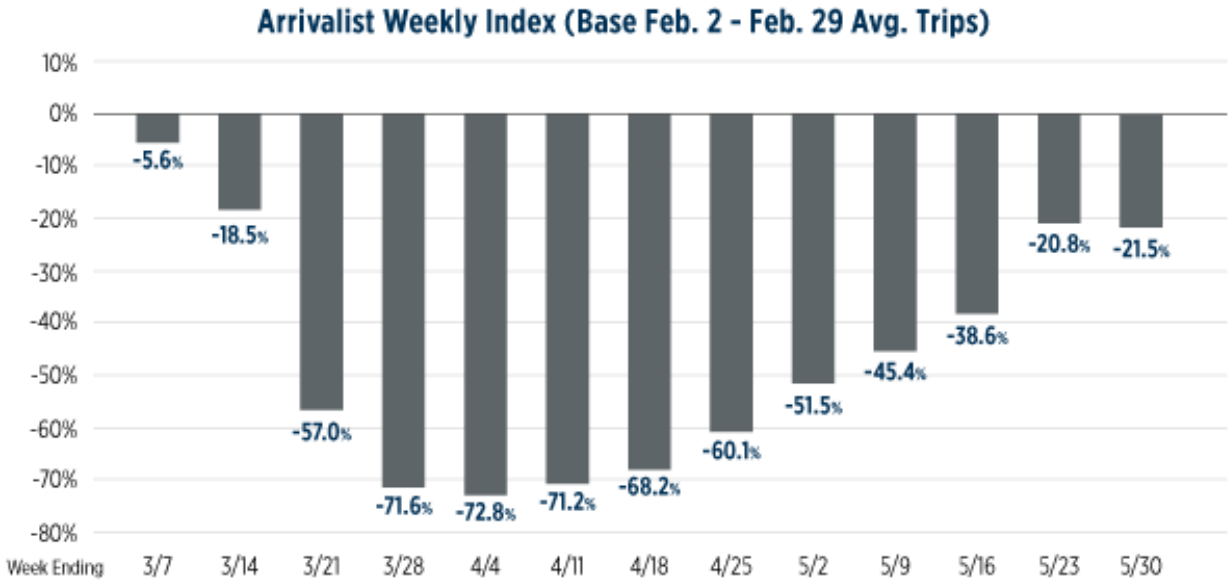
Looking ahead, there has been an increase of bookings for both flights and hotels, suggesting travelers are becoming more optimistic about the possibility of future travel.

Car: Daily Travel Index

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

- **Road travel last week remained nearly as strong as it was the previous week, which included Memorial Day weekend**
    - Road travel last week was "only" 21.5% lower than it was right before the crisis (in Feb. 2020)
    - In comparison, road travel was 73% lower than its pre-crisis (Feb. 2020) average in the first week of April

- Road travel over the last seven days (through Tuesday, June 4) was 10.1% lower than the previous seven days. This is due to the increased amount of traffic in the previous week due to Memorial Day Weekend



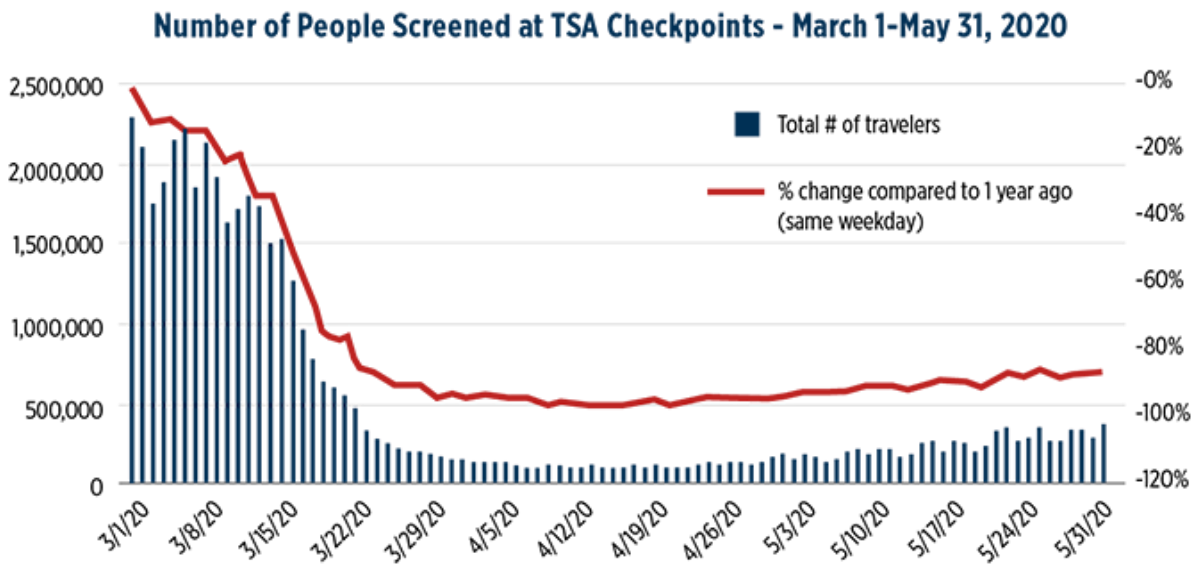
GO TO DAILY TRAVEL INDEX

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 sinking below 100,000 throughout much of April (-96% year-over-year change), the number of people screened daily by TSA at U.S. airports reached 350,000 on May 31
- **Despite the strong growth in passenger numbers in May, the number of passengers on May 31 (the day with the highest number of travelers) remained 86% lower than the same period last year**

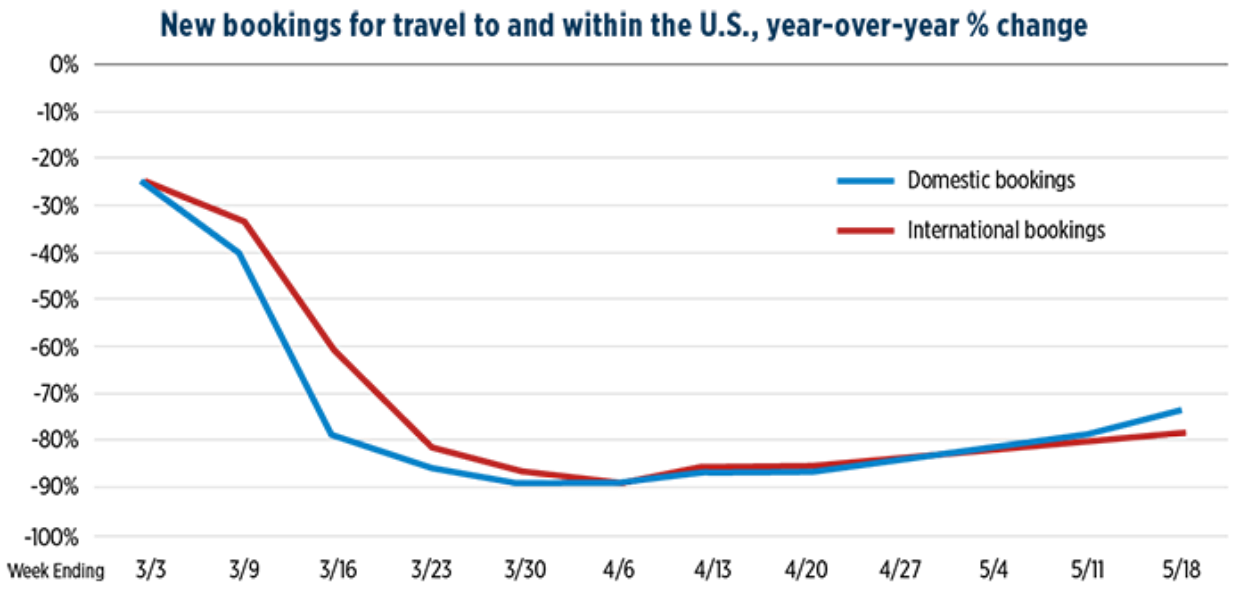


Source: TSA

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.

- **Domestic air and hotel bookings for future travel started to recover over the past few weeks (from a peak of -89% year-over-year in the week of April 6 to -73% in the week of May 18)**
- International bookings for future travel to the U.S. remained closer to peak levels but improved moderately (from -88% in the week of April 6 to -78% in the week of May 18)



GO TO TRAVELER TRENDS

Source: ADARA

TRAVELER AND CONSUMER SENTIMENT SURVEY RESULTS

Coronavirus Travel Sentiment Index Report

June 1, 2020

- Americans are exhibiting greater feelings of safety in recent weeks:
  - More than half of respondents now feel safe taking a road trip, compared to less than 40% in mid-April
  - Nearly half feel safe visiting friends and relatives, compared to less than 30% in mid-April
  - About 35% feel safe staying at hotels, compared to less than 20% in mid-April

- **Two-thirds of those who claim to prioritize their emotional well-being say that leisure travel will be important in helping them do so, and nearly half of those prioritizing stress management agree that vacations are a good way to manage stress:**
    - **The highest-rated *relaxing* travel experiences include: visiting family and friends (43% selected as a top 3), taking a road trip (35%), staying at a beach resort (34%) and visiting a national park (24%)**

Source: Destination Analysts

National Tracking Poll: COVID-19 and Travel Sentiment

June 2, 2020

- **For the first time since March 11, less than half of American travelers say that the coronavirus pandemic will greatly impact their travel plans in the next six months:**
    - **47% indicated this on May 27, compared to a peak of 67% on April 1**
- Most American travelers do not yet feel safe traveling outside their communities or opening their communities to visitors, but there has been an increasing share of those who do:
    - 43% of American travelers feel safe traveling outside their communities, up from 35% two weeks earlier
    - 40% support opening their communities to visitors, up from 31% two weeks earlier

Source: Longwoods International supported by Miles Partnership

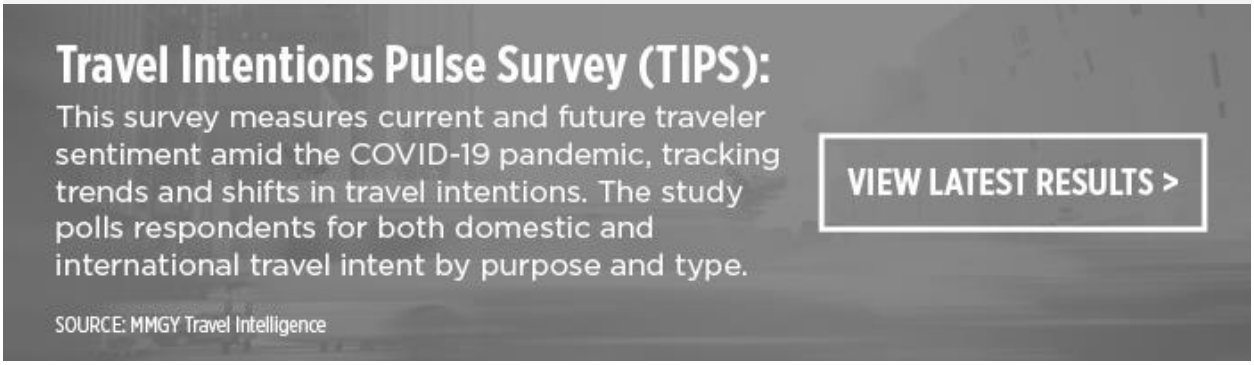
The Harris Poll CV-19 Tracker

May 20-22, 2020

- About 1 in 5 (22%) expect to travel for leisure during the summer and another quarter (25%) may be thinking of traveling in the fall
    - The desire to reconnect with family and friends (52%) and the need for a change of scenery (45%) will motivate leisure travel in 2020
- **Over half of all those who have traveled for business purposes (51%) expect to travel in 2020**

- And among those who are more frequent travelers, 6 in 10 (59%) expect to return to traveling in 2020
- Another 4 in 10 of all business travelers (38%) will hit the road in 2021 with over a third (35%) of frequent business travelers expecting this
- Few (11%) think that business traveling will wait until 2022 or later

Source: The Harris Poll



RESOURCES AND EXAMPLES FROM AROUND THE INDUSTRY

- COVID-19 Research | MMGY Global Intelligence
- Group Travel Survey | The Group Travel Leader
- Pulse Survey: The Future of Meetings and Events in the Era of COVID-19 | Northstar Meetings Group
- Coronavirus Update: Scheduled Air Capacity | OAG
- COVID-19 Perceptions of Risk Travel Survey | Tourism Crisis Management Initiative, University of Florida