



March 17, 2020

Dear Members of Congress,

On behalf of the American Hotel & Lodging Association (AHLA), the sole national association representing all segments of the U.S. lodging industry, including iconic global brands, hotel owners and franchisees, REITs, management companies, independent properties, bed and breakfasts, state hotel associations, and industry suppliers, I implore Congress to protect the more than 33,000 small business hotel properties and the millions of hard working hotel associates they employ as it drafts legislation to address the burgeoning economic crisis being caused by COVID-19.

The COVID-19 health crisis has already had a more severe economic impact on the hotel industry than 9/11 and the 2008 recession combined. Statistics indicate impacts are worsening by the day:

- Hotel occupancy has fallen to staggering levels between **10-12%** in markets nationwide, which we expect would mean 140 million rooms or more could be empty in the next 30 days alone. Occupancy generally runs above 65% in normal circumstances.
- The hotel industry is currently estimating a loss of **nearly 4 million jobs** with the current projection of a 30 point decline in hotel guest occupancy for the year. That equates to \$180 billion in wages and a \$300 billion hit to the GDP – crippling the hotel industry, the local communities they serve and the U.S. economy.

To that end, the hotel industry made the following policy recommendations today during a meeting at the White House.

1. **Hospitality Workforce Relief Fund** (\$100 billion): Congress should provide grants to businesses for the purpose of employee retention and rehiring. The unemployment rate will dramatically increase in the next month unless Congress prevents millions of hotel workers from being furloughed or laid off. The fund would help employers meet their payroll obligations, slow the growth of rising unemployment numbers, and help keep employees on employer provided health insurance, lessening the impact on the Unemployment Insurance program.
2. **Provide Flexibility in Lending** (\$50 billion): Congress must act to facilitate forbearance of principal and interest payments on debt during this health crisis, and make federal funds available to owners to cover such debt. Small business hotel owners that are facing severe economic circumstances who are able to have debt canceled should not be required to pay taxes on this Cancellation of Debt (COD) income.
3. **Access to Loans for Hotel Owners:** Congress must ensure that hotel owners have immediate access to capital to make their payroll and mortgage payments. Congress should establish a voluntary liquidity facility program to provide zero interest in secured/unsecured loans or zero interest secured/unsecured loan guarantees to hotel owners. Many hotel owners do not qualify for small business loans and for those who do, the lending process will take too long to provide meaningful relief.

Again, I thank Congress for their immediate attention to the COVID-19 health crisis which impacts not only the health and well-being of the American people, but also our nation's economy. On behalf of the domestic lodging industry, I urge your consideration of provisions which will help mitigate the economic impact for our nation's small business employers and their employees.

Respectfully,

A handwritten signature in blue ink, appearing to read "B. Crawford".

Brian Crawford
Executive Vice President, Government Affairs