

**Testimony Submitted by Mark Dorr, President  
New York State Hospitality & Tourism Association**

**Hearing: Federal Response to the Economic Impact**

**May 13, 2020**

My name is Mark Dorr, President of the New York State Hospitality & Tourism Association, the oldest state hospitality and tourism Association in the country - founded in 1887. We have 1,000 member businesses in the lodging, attractions, and tourism promotion industry. I would like to thank the members of the Legislature for allowing me to testify today as it relates to the federal response to the economic impact of the COVID-19 pandemic on small businesses throughout New York State.

Let me start by saying that this pandemic has taken a staggering human toll and my condolences are with the tens of thousands of families navigating personal loss in this unprecedented time. We commend the leadership New York has shown in its swift response and action to flatten the curve and prioritize public health and safety. As New York and the federal governments begin exploring how best to restart paused economies, it is critical that the public's health and safety remain a priority, and the members of NYSHTA are eager and well prepared to support that priority.

Importantly, while the majority of our 1,000 members are branded hotels carrying flags of such brands as Hilton, Marriott, Hyatt and Holiday Inn, these hotels are small-independently owned New York businesses, not big corporate chains. Indeed, it is these hotel owners who need government support now more than ever in order to responsibly revamp our state economy.

Tourism is the third-largest industry in New York State. Year after year, the tourism industry creates and maintains jobs, as well as providing the State with a return on its investment like no other industry can offer. New York State tourism supports nearly 1 million jobs with a total income of \$35 billion.

New York is known for its thriving tourism industry - from New York City's Broadway shows to the Hudson Valley's skiing, to the Finger Lake wineries, and Buffalo's Niagara Falls - this state has something for everyone. New York State hosts 253 million visitors annually and those visitors spend \$72 billion, generating \$8.9 billion in State tax revenues and creating \$115 billion in total economic impact. Needless to say, tourism is key to the state's economic recovery, and the businesses need to remain solvent until we are fully open for business.

The overall impact of COVID on State revenues will be significant, and the anticipated cuts to the state budget will reflect this shortfall. The tourism industry in New York relies heavily on the funding provided in the Aid to Localities budget, namely for CVB's, marketing funds, and the I Love NY program. Without the infusion of federal money, this funding is vulnerable to cuts at a time when we should be investing in responsible tourism, further recognizing its critical role in economic recovery.

Being the third-largest industry in the state also means the losses from COVID-19 have been catastrophic. And for our member businesses, predominantly hotels, the losses are staggering.

**STATEWIDE JOBS LOST IN NEW YORK HOTEL INDUSTRY DUE TO CORONAVIRUS PANDEMIC:**

- 120,000 direct hotel-related jobs lost alone

- 500,000 total jobs lost supporting New York State tourism

COVID-19 LEADS TO HISTORIC LOW OCCUPANCY:

- Impact to travel industry 9 times worse than 9/11. Tourism Economics reports nearly 50% revenue decline in 2020.
- Eight in 10 hotel rooms are empty.
- Forecasted occupancy rate for 2020 worse than 1933 during Great Depression.

**As you can see, tourism is a big employer in New York**, which is why we welcomed the financial support, a lifeline if you will, provided to our member businesses from the Federal Government in an effort to retain jobs. We are doing what we can to survive during this down period, but the Federal Government needs to support our State Government and biggest partner as well.

NYSHTA thanks our State legislators for your support, and we respectfully request:

- The State to continue to advocate for additional federal funding for our State, to help defray the expected cuts to the Aid to Localities budget.
- Assistance in advocating for changes to the Paycheck Protection Program, from the 2.5 x payroll to 4 and allow for more of the funding be used for operating costs. Why? Because the reopening is slower than anticipated. This is tourism wide, to include attractions, campgrounds and ski areas which are now year-round destinations.
- In addition, increasing the 2-year loan repayment to 4 years allows for a more sustainable approach. Your support for the state's Tourism Promotion Agencies (those charged with marketing and promoting our great state) inclusion in the PPP program. Our 501c6 organizations are currently not eligible. Without that eligibility, those organizations may not survive long enough to help with the state's tourism industry recovery. We need the Federal Government to include c6 organizations because when New York State is open for business we MUST be able to market all we have to offer.

Through all of this we continue to be encouraged by the Governor's commitment to tourism; after all, responsible tourism will play a major part in our economic recovery. When visitors return, it is incumbent upon New York to ensure that the tourism industry is safe and well positioned to get back to work. We must keep New York's powerful tourism industry viable to compete with other states for the all-important traveler.

Thank You for your time and consideration.