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State of Alaska, *EX OFFICIO*



March 3, 2021

The Honorable Lisa Murkowski  
United States Senate  
522 Hart Senate Office Bldg.  
Office Bldg. Washington, DC 20510

The Honorable Dan Sullivan  
United States Senate  
America702 Hart Senate  
Washington, DC 20510

The Honorable Don Young  
United States House of Representatives  
2314 Rayburn House Office Bldg.  
Washington, DC 20515

Senators Murkowski and Sullivan, and Congressman Young,

The Alaska Travel Industry Association (ATIA) and our more than 600 business members and partners appreciate your efforts to support our industry during these challenging times. We value your engagement and your willingness to seek bipartisan solutions that benefit the travel and tourism industry nationally and in Alaska.

As we write this letter, the U.S. travel economy has suffered more than \$530 billion in cumulative losses since January 2020. Congress continues to debate the \$1.9 trillion stimulus proposal, the Canadian border closure has been extended through February 2022, and a number of cruise lines have cancelled Alaska sailings through May 31. Without a temporary Passenger Vessel Services Act waiver or movement on the U.S. Centers for Disease Control's sailing requirements, there is a real fear large cruise lines will cancel the entire 2021 sailing season. The effects will tsunami across the state, and many Alaska tourism businesses will face more than 30 months with little to no revenue.

Alaska has benefitted from your support of the CARES Act and other COVID-19 legislation, for which we express our sincerest thanks. Yet, more help is urgently needed, and we ask you to consider the following amendments and initiatives.

## **Paycheck Protection Program (PPP)**

- Forgive 1<sup>st</sup> Draw PPP Loans
  - Consider loan forgiveness based on established need. Businesses are using 2<sup>nd</sup> Draw Loans to repay 1<sup>st</sup> Draw Loans, an untenable solution for businesses faced with a second year of little or no revenue.
- Extend the 2<sup>nd</sup> Draw PPP Loan timeframe from 24 to 52 weeks and expand the definition of forgivable wages.
  - The 24-week timeframe begins on the loan disbursement date, which means businesses that received a loan prior to March 31 will have to start repaying funds before mid-September. Extending the period to 52 weeks will support not only year-round operators, but also seasonal operators that generate all their annual revenue during a shorter operating season.
  - Currently, owners are capped at a lower maximum wage than employees, which harms small operators. Expanding the definition of forgivable wages and capping wages at a \$100,000 annual salary prorated for the covered period will support owner-employees and self-employed individuals.
- Include a 3<sup>rd</sup> Draw PPP Loan in future stimulus packages.
  - As we wrote to you in January, current PPP language creates a tiered system based on business sector multipliers. Future maximum loan amounts should be based on percentage loss of revenue, which creates a more equitable comparison across the industry.
  - While previous PPP loans have been a lifeline for many, future legislation should expand the PPP's definition of expenses to include business insurance such as workers compensation, which is a direct multiple of employee payroll.

## **Economic Injury Disaster Loans (EIDL)**

- Businesses that intended to repay EIDLs with 2021 revenue are now being asked to repay the loan (with accrued interest) just as we are facing a second devastating year. Requiring EIDL forgiveness (in its entirety or based on a percentage of lost revenue) or extending the loan repayment schedule through December 31, 2022, would give businesses breathing room to get through the next critical months.

## Industry-Specific Opportunities

We wish to thank Congressman Young for introducing the Alaska Tourism Recovery Act and Senators Murkowski and Sullivan for co-sponsoring the Sustaining Tourism Enterprises During the COVID-19 Pandemic Act (STEP Act, [S.4299](#)). We are heartened to see additional measures to support Alaska's tourism industry through the recently introduced Hospitality and Commerce Job Recovery Act of 2021, which:

- Establishes a Tourism Revitalization Fund similar to the Restaurant Revitalization Fund grant program proposed in the current stimulus plan, the American Rescue Plan Act of 2021 ([HR 1319](#)).
- Expands eligibility in the Shuttered Venue Operators Grant Program to include attractions, tour operators, meeting and event organizers, and travel sellers.
- Supports tax relief for small and mid-sized businesses by extending the Employee Retention Tax Credit through the end of 2021 and allowing employers to claim the credit retroactively. And, as we recover, helps mid-size companies offset the cost of rehiring employees, either through an enhanced Work Opportunity Tax Credit or a wage subsidy tax credit.
- Provides a tax credit to help businesses offset the cost of preventing the spread of COVID-19, including the cost of structural barriers and personal protective equipment.
- Re-establishes the Mainstreet Loan Program under the Federal Reserve to provide long-term, low-interest loans for businesses to pay off short-term debt obligations and turn short-term obligations into manageable, long-term debt.

Our industry is resilient, but continued challenges will extend COVID-19's profound devastation well past 2021. Our families, businesses, and communities continue to rely on your strong and continued voice to help us recover. Thank you for supporting the relief our industry so desperately needs.

Sincerely,



Sarah Leonard  
ATIA President & CEO



Bill Pedlar  
Knightly Tours  
Chair, ATIA Board of Directors