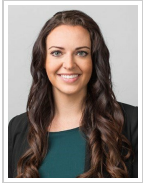


Key Takeaways: AHLA & AAHOA's – Legislative Action Summit 2018

September 19, 2018 / By Chelsey Leffet



This year's Legislative Action Summit (LAS), held every year by the American Hotel and Lodging Association (AHLA) and the Asian American Hotel Owners Association (AAHOA), took place September 12–13 in Washington, D.C. Year after year, this event brings together a strong showing of hotel owners, operators, developers, investors, managers, and employees, as well as experts in government affairs and others interested in the lodging industry.

Hurricane Florence did not deter the many industry professionals from traveling to D.C. to meet with their congressional representatives on "The Hill." The event included remarks from the respective organizations' Presidents and CEOs, as well as briefings from political influencers and members of congress. A very approachable event, as the agenda is set to inform, educate, and guide all attendees, new and tenured, on how to effectively lobby Congress to discuss issues affecting the industry.

2018 Legislative Issues Affecting the Hotel and Lodging Industry

The lodging industry is facing issues across a wide scale; however, the LAS event strategically focused on a few "call to action" pieces. With mid-term elections looming, the call to push bill signing and co-sponsorship was not as strong this year at LAS; instead, attendees were reminded how important the relationships with our representatives and congressmen and women are to the industry and that these connections and the event overall is a building block for future support. Issues that are important for industry professionals to be aware of and well versed in include immigration, illegal hotels, human trafficking, wages and benefits, per-diem rates, resort fees, OTAs, tax reform, Americans with disabilities, and joint employer models. The following sections briefly describe only some of the main points and issues addressed at LAS this year.

Online Booking Scams

It is understood that fraudulent websites and call centers posing as the hotel or event, without the consumer knowing, have led to guests not being assigned the room type they were expecting, their private information being stolen, a lost or canceled reservation, the loss of a down payment, extra or hidden fees charged to their account, or forfeiting their reward loyalty points. The bipartisan **Stop Online Booking Scams Act** would help protect these consumers from scams by prohibiting websites from misleading consumers and pretending to be a certain hotel property or event's representative. With this bill, these websites would need to prominently display that they are not affiliated with the hotel in question and are in fact a third party. This would help to increase consumer confidence in the hotel industry's legitimate booking channels. Per data reported during the LAS, it is estimated that roughly 55 million online hotel bookings were made through misleading or fraudulent sites in 2017, which in turn affected \$5.2 billion in hotel booking transactions. Similar to the 2017 Legislative Action Summit, protection of consumers against online booking scams is still an important issue.

Tax Reform

AHLA and AAHOA representatives urged participants to speak to their local representatives and officials about the **Tax Cuts and Jobs Act of 2017** that was reported to have been very positive for the lodging industry,

Summary

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allowing for increases in employee wages, enhanced benefits, new jobs, development, and capital improvements. U.S. Travel Association trends reported that, as of July 2018, domestic travel has expanded for 103 straight months, as the travel industry moves through its ninth consecutive year of expansion. Many of the provisions that are helping small businesses are set to expire in 2025, and it is AHLA's and AAHOA's stance that these deductions for small businesses and the lower rates for individuals must be made permanent to capitalize on the momentum of the industry.

International Travel & Brand USA

The lodging industry plays a vital role in supporting the micro and macro economies. AHLA and AAHOA reported that travel and tourism generate roughly \$2.3 trillion in economic output, as well as supporting one in nine American jobs. While global travel and tourism has increased in recent years, and is projected to continue growing, the market share of international travel to the United States has diminished. Established as part of the 2009 Travel Promotion Act, Brand USA is our nation's first public-private partnership to coordinate marketing efforts to promote destinations across the United States and to communicate U.S. visa and entry policies. Brand USA is up for reauthorization in 2020; given its success (at no expense to American taxpayers), AHLA and AAHOA strongly encourage that our elected officials support this organization. Another important piece of the USA's global presence and competitiveness centers on the sponsorship of the Jobs Originating through Launching Travel (JOLT) Act. This piece of legislature would reportedly modernize the Visa Waiver Program, as well as renaming it to the Secure Travel Partnership Program, to help streamline safe travel into the U.S. from member countries.

Career Opportunities in Hospitality

As mentioned previously, the growth of the industry has allowed for many companies and hoteliers to expand and reinvest. It was reported that the number one concern in the industry has been access to a viable workforce. Furthermore, the LAS audience participants were asked to raise their hands if there was an opening within their company or at their hotel, and more than half of the room raised their hands. The lack of a qualified workforce is forecast to hinder the growth potential of our industry. In 2017, the President signed an Executive Order that was designed to reduce the regulatory burden on apprenticeship programs in non-traditional industries, such as hospitality. Even more, in July 2018, the Strengthening Career and Technical Education Act for the 21st Century, a revision of a bill from 2006, became law; it was established to provide funding, encouragement, and establish benchmarks. The lodging industry does and should continue to support proposals that allow for technical education, apprenticeship, financial assistance, and training to address the workforce shortage.

In Closing

Regardless of one's role in the hospitality industry, or one's political affiliation, it is important to be knowledgeable of the issues affecting the industry. The potential effect of legislation and regulation on the lodging industry is important when considering return on investment and value. The Legislative Action Summit is an organized and rewarding way to become educated; to be provided the unique opportunity to meet congressional representatives, elected officials, and their staffs; and to be a part of the shaping of our industry's future.

Through its various staff members, HVS is active in the AHLA, AAHOA, and various state and city hotel associations. We encourage everyone who is involved in the hotel industry to consider becoming active in the associations that support our industry's interests.

About **Chelsey Leffet**



Chelsey Leffet is Senior Vice President and head of the Washington, D.C. HVS Consulting & Valuation office. Chelsey has consulted on hundreds of hotels throughout the Mid-Atlantic, including major Beltway markets. Prior to joining HVS, Chelsey worked in guest services, operations, and restaurant roles at ARAMARK Higher Education; Lighthouse Resort Services in Corolla, North Carolina; the Columbus Inn in Wilmington, Delaware; and the Bellmoor Inn and Spa in Rehoboth Beach, Delaware. Chelsey earned her BS in Hospitality Management and her MBA from East Carolina University. Chelsey resides in

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