



Dear Industry Partners,

California's tourism industry forcefully made its case to key state lawmakers yesterday at a hearing designed to outline the devastating impact of the coronavirus pandemic.

Assemblymember Sharon Quirk-Silva, the new chair of the Assembly Committee on Arts, Entertainment, Sports, Tourism and Internet Media, convened the informational hearing, and was joined by three other legislators: Assemblymembers David Chiu of San Francisco and Richard Bloom of Santa Monica as well as Sen. Richard Pan of Sacramento.

"We're here to listen to you," Assemblymember Quirk-Silva said at the outset. "We really want to hear details. We want to be here to find out how we can help... You can consider me a cheerleader for California... We need a cheerleader for our state because we want to make sure the industries you represent not only have somebody who's going to stand up and fight for them, but who's going to cheer you on because that's the way we're going to get doors open."

Added Assemblymember Chiu: "This is an industry that has been utterly decimated. I'm here because I want to hear every idea that is out there and what we can do to move things forward."

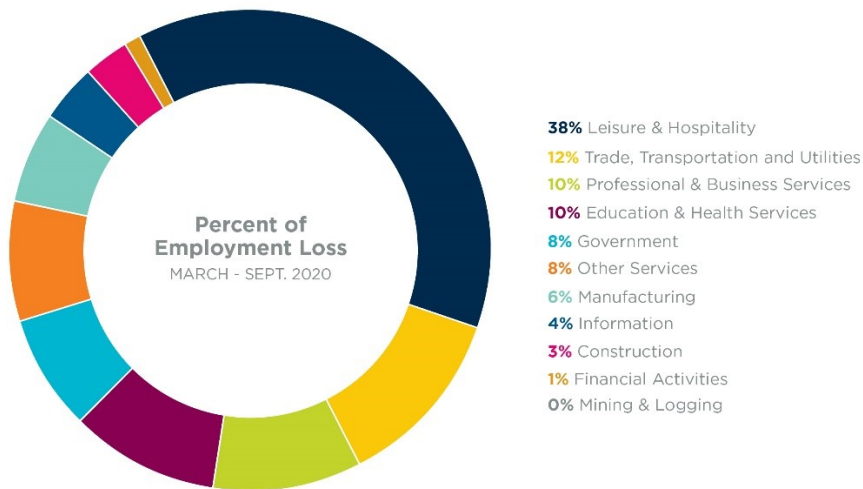
I'm happy to say that over three hours, all the members attending the in-person hearing and others watching online got an earful.

They heard from an industry that has pivoted to focus on safety by developing sanitation and distancing protocols to stay in business and maintain payrolls but continues to feel frustrated and competitively disadvantaged.

I presented new research from Tourism Economics that shows the dire situation outlined in May has gotten worse: Visitor spending statewide is now projected to be down 54.5% from last year – from \$144.9 billion to just \$66.1 billion – and the industry's recovery will take at least five years. Even that outlook is based on the availability of a vaccine early next year and another round of federal stimulus, two factors that remain in doubt.

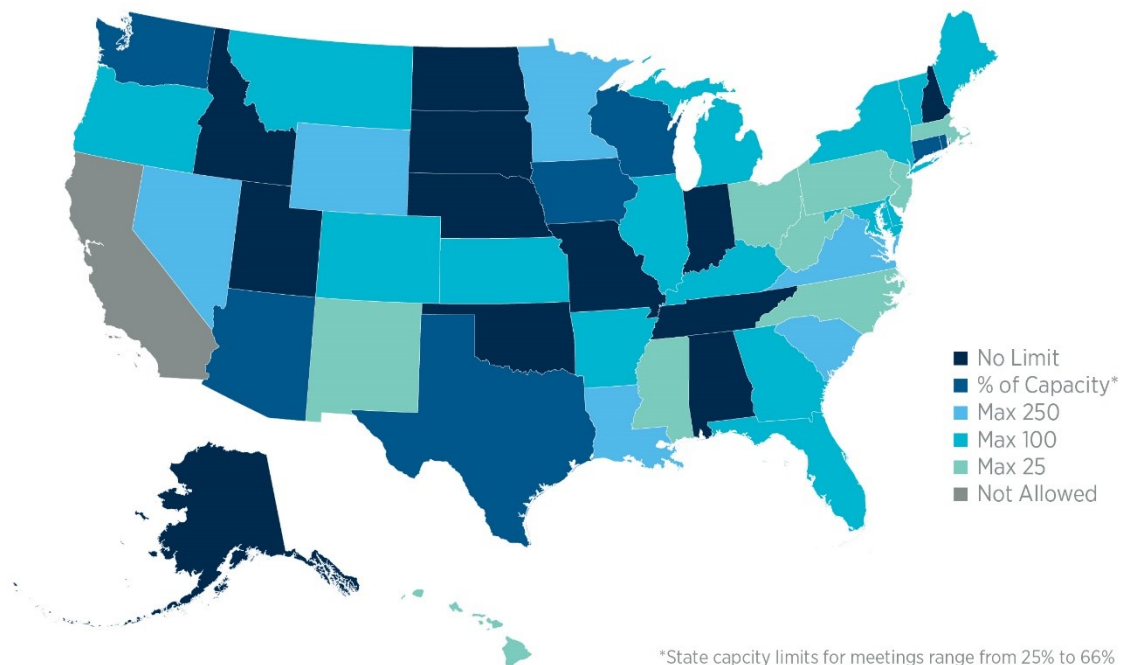
Tourism Economic Impact	
2019	Projected 2020
<b>\$144.9 BILLION</b> VISITOR SPENDING	<b>\$66 BILLION</b> VISITOR SPENDING
<b>1.2 MILLION</b> JOBS	<b>594,000</b> JOBS
<b>\$12.2 BILLION</b> STATE AND LOCAL TAX REVENUE	<b>\$6.4 BILLION</b> STATE AND LOCAL TAX REVENUE
<b>\$3 BILLION</b> HOTEL TAXES TO FUND LOCAL SERVICES	<b>\$1.4 BILLION</b> HOTEL TAXES TO FUND LOCAL SERVICES

I also pointed out that leisure and hospitality jobs, which have led California job growth over the past decade, make up 38% of all the lost jobs in California during the pandemic. It's simple: Tourism is by far the hardest-hit employment sector, and California's job outlook cannot recover until tourism recovers.



A battery of other witnesses at the hearing, including four from the Visit California Board of Directors, served our industry well.

**Joe D'Alessandro**, president and CEO of San Francisco Travel, outlined the crippling loss of meeting business and the associated nosedive of hotel taxes on local municipal budgets. He and several witnesses pointed out how the lack of statewide meeting guidance makes it impossible to book meetings of any size, even years down the road. This dynamic puts California at a huge disadvantage competing for future bookings, as this map illustrates.



**Dan Harvey**, division vice president for western region operations at Hertz, described the heavy impact on the rental car industry's workforce, noting that Hertz laid off or furloughed more than 70% of its employees at the beginning of the pandemic. Even now, half of the company's staff at California airports remain out of work. He

told legislators that they could help the rental car industry recover by easing price controls on collision damage waivers and allowing companies to charge for extra drivers. These issues do not exist in most other states, he noted.

**Dan Gordon**, CEO of Gordon Biersch Brewing Co., said the restaurant industry has been unfairly burdened by a patchwork of state and local guidelines that make it difficult to retain employees and stay in business. He asked for more consistency in the state's approach.

**Sima Patel**, CEO of Ridgmont Hospitality, asked the lawmakers to consider the ongoing impact on small tourism businesses. She reminded them how the industry has led crisis recovery in the past, such as from the Great Recession.

Thanks to many others who provided powerful testimony on behalf of the tourism industry: **Emellia Zamani** of the California Travel Association, **Erin Guerrero** from the California Attractions and Parks Association, **John McReynolds** of Universal Parks and Resorts, **Julie Packard** from Monterey Bay Aquarium and **Lisa Allen** from Amador Stage Lines. Two union representatives described the human impacts of job losses across the state. Asked **Frank Santos**, a banquet chef: "How many more workers and families must be impacted for this government body to react?"

It was a remarkable team effort, but we must continue to push our message.

[Watch the hearing here](#). Share it with your network and encourage your local state legislators and their staff to watch. Most importantly, communicate with the committee and provide suggestions for how the Legislature could help.

Assemblymember Chiu asked witnesses to provide three things state government can do for the industry, and I suggest you take him up on it.

"From my perspective, I don't think the state has played enough of a role in working with tourism to move forward our industry," he said. "I know our chairwoman and other members of this committee are very committed to really revitalizing this conversation and seeing what we can do to be creative because we don't have a choice. We need to make sure that California tourism continues to thrive and continues to lead."

Email your comments to the committee at [ArtsCommittee@asm.ca.gov](mailto:ArtsCommittee@asm.ca.gov).

As always, thank you for your support and resilience during this time.

Be Well,



Caroline Beteta  
President & CEO  
Visit California