

# METRO VANCOUVER TOURISM AND HOSPITALITY INDUSTRY RESPONSE AND RECOVERY TASK FORCE



September 16, 2020

Hon. Mélanie Joly  
Minister of Economic Development & Official Languages  
House of Commons,  
Ottawa, Ontario K1A 0A6

## Re: CEWS, RRRF and CECRA

Dear Minister Joly,

On behalf of the members and stakeholders of the Tourism Industry Association of British Columbia (TIABC) and the Metro Vancouver Tourism & Hospitality Response and Recovery Task Force (MVTHRRTF), thank you again for the work your government is doing to help individuals and businesses during this extraordinary time. Your leadership in helping Canadians stay safe, as well as coping with the economic hardships caused by COVID-19 is both widely acknowledged and sincerely appreciated.

Our purpose for writing is to appeal for further extension of the Canada Emergency Wage Subsidy (CEWS) program, as well as a revised version of the Canada Emergency Commercial Rent Assistance (CECRA) program, and a second intake of the Regional Relief and Recovery Fund (RRRF) program to help tourism and hospitality businesses remain solvent and work toward recovery.

As stated in a previous letter to you (August 6), CEWS has been a lifeline for our broad and diverse sector by allowing employers to hire back temporarily laid off employees as the visitor economy slowly re-opens. However, after further review of government's proposed changes, including the sliding scale for subsidies and the program's end date of December 31<sup>st</sup>, we offer the following recommendations for government's consideration

- A) Extend CEWS to tourism and hospitality businesses until such time they generate 75% of their 2019 operating revenues, or at minimum until spring/summer of 2021
- B) Retain the percentage of subsidy available at the full 75% instead of a sliding scale
- C) Apply the 'safe harbour' principle to periods 7, 8, 9 and 10 for businesses that have experienced revenue losses of 50% or more.

As you know, many businesses that experienced a slight increase in customers over the summer months were only able to keep their doors open due to the CEWS program. Reducing or ultimately eliminating CEWS will mean further business closures and peril for the visitor economy.

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Pg. 2

Minister Joly

Furthermore, due to the fact that many seasonal businesses did not have an opportunity to open in 2020 and thus generate any revenues at all, they are inadvertently excluded from CEWS and are falling through the cracks. Supporting these operators and allowing them access to the funds next year would give them a fighting chance at salvaging their business.

With respect to the CECRA program, many operators appreciated your government stepping in to help address issues around fixed-cost expenses such as commercial rent payments. While the uptake in applications for CECRA was considered underwhelming for good reasons (e.g. obligation of landlord to apply instead of tenant; 70% revenue drop criteria), the provision of rent relief for commercial tenants is very much an ongoing concern.

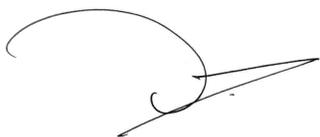
TIABC and MVTHRRTF urge government to find an alternative measure to help commercial tenants and landlords meet their financial obligations during the recovery period, which for the tourism and hospitality sector is expected to be well into 2021. One option is to model the program after the rental assistance initiative for individuals in British Columbia, which provides direct benefits to both tenants and landlords. For owners of properties and their tenants, financial assistance could be allocated on a sliding scale based on the percentage of revenue lost.

As you are aware, the RRRF was over-subscribed in Western Canada and as a consequence, many tourism businesses were either rejected or never responded to. Notwithstanding some necessary changes to the qualifying criteria, the program does provide desperately needed funding for tourism operators to address liquidity issues. In order to ensure the survival of SMEs in British Columbia, a second intake of RRRF, specifically for the visitor economy is necessary in the immediate future.

Finally, we also recommend that the criteria for the RRRF program be less stringent to provide opportunities for more businesses to access these funds, particularly those hardest hit in urban centres that did not qualify in the first intake.

Minister, thank you for your consideration. Please feel free to contact us if you have any questions or require further information.

Sincerely,



Ted Lee, CFO, Tourism Vancouver  
Chair, Metro Vancouver Tourism &  
Hospitality Industry Response and Recovery  
Task Force  
604-375-0021



Walt Judas  
CEO, Tourism Industry Association of BC  
778-953-0620

Cc: Honourable Chrystia Freeland  
Deputy Prime Minister  
Minister of Finance  
Government of Canada

Honourable Lisa Beare  
Minister of Tourism, Arts & Culture  
Province of British Columbia