



March 31, 2020

Dear Colleague:

We are all witness to how the COVID-19 pandemic is damaging parts of the economy and, unfortunately, we have front-row seats to the on-going devastation to the travel sector. The upheaval and uncertainty for airport restaurant and retail companies and our employees is particularly catastrophic. Airport concessionaires and their employees are an integral part of any airport's successful operations. We are a major economic driver, offer good entry level jobs with benefits, and enhance the airport experience while contributing more than \$2.5 billion in non-aeronautical revenue to airports.

Prior to the pandemic, airport concessionaires – hundreds of national, regional, local, and small and minority-owned businesses – represented a \$10 billion industry employing over 125,000 associates. Yet now these jobs and these companies are at risk. Due to a nearly complete loss of passengers, airport concessionaires (large and small) have almost no cash flow and are facing mounting business losses and debts. Many of our associates have lost their jobs, and as the crisis deepens, many more face the same fate. Indeed, the very survival of many of our companies is in doubt.

Fortunately, the recent passage of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") provides additional unemployment benefits and assistance for many of in our collective community. Unfortunately, the CARES Act does not provide meaningful relief for most companies in our industry.

The tool to provide meaningful relief for airport concessionaires is in your hands: the CARES Act includes \$10 billion in immediate financial aid to airports to replace their revenues lost from the pandemic. Airports will be able to honor their debts, maintain staff, safely operate, and otherwise survive as an industry.

Airport concessionaires face the same existential challenges. After receiving Federal grants to replace much of *their* revenues lost during the crisis – a substantial portion of which derives from airport concessionaires – airports cannot reasonably expect airport concessionaires to continue paying rent to airports during the public health crisis and its aftermath, rent that has already been replaced under the CARES Act. ***Because the Federal grants will replace much of the airports' lost revenues during the crisis, we are asking for airports to extend rent relief to concessionaires.***

As you may know, some of North America's leading airports have already taken steps to assist airport concessionaires (e.g., short-term suspension of fixed rents, allowing store closures and reduced hours without penalty, deferral of capital investment requirements), and we thank those airports who have partnered with us. But this will not be enough. It is imperative that airports use our fair share of their \$10 billion Federal relief package, which was enacted to replace lost airport revenues, to provide rent abatement to all airport concessionaires.

Just like airlines and airports, for an airport concessionaire, large or small, to survive, passenger traffic must exist. But now, across the United States, historic reductions of travelers and flights are driven by the emergency declarations and orders issued by Federal, State and local governments; recommendations of CDC warning against gatherings of certain sizes; restrictions on personal and corporate travel; and the general feeling that people are simply afraid to fly. Reductions in business make it virtually impossible for airport concessionaires to continue to operate. ***The very essence of our businesses has been destroyed by COVID-19.*** No concessionaire is strong enough to survive or rebuild from the COVID-19 pandemic on its own. As an industry, we need your help.

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Now that Congress has provided airports with Federal grants to replace revenues lost during pandemic, we are asking our airport partners to honor the intent and spirit of the \$10 billion relief package and grant rent abatements to airport concessionaires. Airport concessionaires are seeking support and approval for immediate 12-month rent abatement, whether styled as a percentage rent or minimum annual guarantee. ***This will help preserve jobs and prevent the collapse of many industry participants so we can all quickly resume services as air traffic returns to normal.***

We are faced with an unprecedented time in travel, which calls for unprecedented actions and measures. It is critical that our companies – large or small, minority-owned or prime – survive this crisis and exist so we can welcome back our employees and travelers in the near future. Thank you for your thoughtful consideration and leadership during this devastating time in travel.

Sincerely,



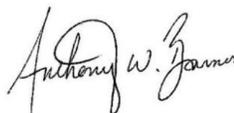
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Chairman  
Airport Restaurant & Retail Association



John Clark  
Chairman  
Airport Minority Advisory Council



Rob Wigington  
Executive Director  
Airport Restaurant & Retail Association



Anthony Barnes  
Chief Operating Officer  
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