

ACTION ALERT

November 9, 2020

Dear ARRA Members:

Senate Majority Leader Mitch McConnell (R-KY) has indicated a desire to complete a COVID-19 relief package before the end of the calendar year. It is possible that one comes to fruition, but the situation remains very fluid. Leading up to the election, House Speaker Nancy Pelosi (D-CA) and Treasury Secretary Steven Mnuchin continued to negotiate and made some progress and we anticipate conversations to start back up in the near term. It is imperative that any package signed into law before the end the year includes relief for our concessionaires.

Now is a critical time to CONTACT YOUR SENATORS AND REPRESENTATIVES AGAIN TO URGE THEM TO INCLUDE AT LEAST \$13.5B for airport concessionaires and airports--\$3.5B dedicated to for MAG/rent relief for concessionaires.

Attached are talking points and a sample letter. Please utilize the attached letter and talking points as you engage with your respective Senators and Representatives. It's important that you customize the letter to reflect your company's situation and need for immediate assistance and relief. A quick phone call to your legislators or their staff will also be effective and helpful.

Please urge your legislators to contact the House and Senate leaders. It is possible that House and Senate leadership turn to their Committee Chairs again to draft their various pieces. In the House, urge your legislators to talk to Speaker Nancy Pelosi (D-OR), Majority Leader Steny Hoyer (D-MD), Transportation & Infrastructure Committee Chair Peter DeFazio (D-OR) and Aviation Subcommittee Chair Rick Larsen (D-WA). In the Senate, urge your legislators to talk to Majority Leader Mitch McConnell (R-KY), Commerce Committee Chair Roger Wicker (R-MS), and Aviation Subcommittee Chair Ted Cruz (R-TX).

If you have any questions or need further assistance, please let us know. Any feedback you receive from your Senators or Representatives or their staff is very helpful.

Find your Representative <https://www.house.gov/representatives/find-your-representative>

Find your Senator here <https://www.senate.gov/senators/index.htm>

Best regards,



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Draft Letter to Congressman/Senator

Dear Congressman/Senator XXXXX,

I am writing to you today to request that Congress provide at least \$3.5B in relief for airport concessionaires and at least an additional \$10B for airports in the next COVID-19 package.

Airports and their concessionaires are desperate for federal relief and assistance and together urge your support. The Airport Restaurant & Retail Association (ARRA), Airport Minority Advisory Council (AMAC), the International Association of Airport Duty Free Stores, (IAADFS), the American Car Rental Association (ACRA) and the National Parking Association (NPA), along with the airport trade associations—the Airports Council International-North America (ACI-NA) and the American Association of Airport Executives (AAAE)—are united in requesting at least \$13.5B in grants to airports, with \$3.5B dedicated to provide Minimum Annual Guarantees (MAG) and rent abatement to airport concessionaires at the airport. Funds would be allocated based on each airport's 2019 enplanements due to 2020 enplanements being significantly skewed as a result of the pandemic. As the COVID-19 pandemic continues, and cases continue to surge, air travel remains stagnant and airport concessionaires are bearing the brunt.

[INSERT information about the impact of COVID-19 on your company, store closings and sales and employee losses.]

You see ARRA members and our employees every time you go through an airport. We are the third major partner in the aviation ecosystem that serves air travelers and our nation's air transportation system. Airport concessionaires include more than 3,500 small minority and women-owned businesses who operate under the Congressionally-authorized Airport Concessions Disadvantaged Business Enterprises (ACDBE) program, which is administered by the Department of Transportation (DOT) and is intended to ensure diversity and small business inclusion in airport contracting and business opportunities. These businesses' survival is threatened by the pandemic's disproportionate negative impact on them.

Pre-COVID-19 pandemic, airport restaurant and retail operators were a vital \$10B industry that employed over 125,000 people. Additionally, pre-COVID-19 pandemic, including duty free, on-airport car rental companies, and parking operators, the airport concessions industry generated more than \$50B in sales and employed over 320,000 people and contributed nearly \$8B annually to airports in the form of MAG and other rents and fees, which comprised approximately 40% of total airport revenues. These funds support our airports to meet safety and security needs and to fuel airport development.

Airport concessionaires are the only aviation partner that did not receive targeted assistance in the CARES Act, while airports, airlines, and their contractors did. Airport concessionaires meet passenger demand by delivering the vital services, outstanding customer service and travel experience that travelers need. Without assistance, many companies will fail. Our livelihoods are at stake and we need your help to weather this storm.

Please do not hesitate to reach out with any questions.

Sincerely,

XXXXX

Draft Talking Points for Communication with Your Elected Officials

- On behalf of _____, I urge you to ensure that the next COVID-19 package includes \$3.5B to concessionaires and other airport partners hit hard by the pandemic and at least \$10B to continue to help airports respond to the pandemic.
- COVID-19 is surging again and this pandemic has no end in sight.
- While airlines, airports and others received relief in the CARES Act, concessionaires were the only aviation partner that did not receive targeted aviation assistance.
- The \$3.5B would go to providing critically needed rent and other financial guarantees (MAG) relief that ACs are obligated to pay to airports today.
- Airport concessionaires are in a unique position as their ability to continue to operate is tied to the use of airports, which remains at historically low levels.
- With a significant drop in passengers, airport revenue continues to suffer and airport concessionaires and related companies cannot continue to pay airports MAG and rents.
- Airport restaurant and retail concessions alone lost 95% of their business and were forced to furlough about 95% of their employees within the first few months of the pandemic. They will lose an estimated \$3.4B by the end of 2021. In the next 18 months, airport restaurant and retail concessionaires will lose 3 years of profit.
- If airports continue to suffer depressed traffic, revenue at concessionaires will decrease or dry up entirely, leading to layoffs and, potentially, permanent closure, resulting in employee job loss and escalating the already tenuous economic situation in the nation.
- Without additional resources, service industry workers in airports remain vulnerable to COVID-19 exposure.
- Beyond the inherent costs this makes concessionary operators vulnerable to (loss of employees, healthcare coverage), this puts workers into physical and mental jeopardy, which could result in attrition and, eventually, the closure of a concessionary, further harming the airport's attractiveness to prospective customers and revenues.
- Providing these critically needed funds would ensure that airports and their partners will have the resources to continue to operate and respond to new operational demands for enhanced cleaning and safety procedures to protect passengers and employees.
- Again, please make sure that the next relief package includes \$3.5B to help concessionaires and other airport partners and \$10B to continue to help airports respond to the pandemic.