

## **Internet Booking Tax**

Many jurisdictions have filed lawsuits against some of the online travel companies (OTCs) (e.g., Orbitz, Expedia, hotels.com, etc.) for the unpaid tax revenue because the OTCs choose to remit room taxes on their wholesale rates rather than what the guest paid for the room. In response, these companies are seeking legislation in Congress that would protect their practice. AH&LA opposes that draft legislation (sometimes referred to as the "Internet Travel Tax Fairness Act" or ITTFA) that would prevent state and local governments from collecting room taxes from online travel companies based on the retail rate when hotel rooms are booked through them. If enacted, hotel companies will be put at a competitive disadvantage in marketing their own rooms and be subject to substantial tax increases as state and local government seek to replace the revenue lost as a result of the OTCs' tax exemption preference.

## **Americans with Disabilities Act**

Long awaited changes to the Accessibility Guidelines of the Americans with Disabilities Act were issued in late 2010 mandating numerous changes on lodging requirements under the ADA. Most of the changes will not apply to the lodging industry until 2012, but some hotels may need to review current compliance to determine if changes are necessary immediately. Among the more significant changes, the Department of Justice has changed how reservations for disabled travelers are handled; how guest room bathrooms are configured; expands access to employee work areas; and adds new requirements to such areas as pools, spas, play areas, recreation facilities and mobility devices.

## **FY2011 Per Diem Rates**

The U.S. General Services Administration (GSA) recently announced the new Fiscal Year 2011 (FY2011) federal per diem rates, which take effect October 1, 2010 and run through September 30, 2011. Nationwide, the per diem rates averaged a reduction of 5.73%. GSA bases rates on data gathered from May 2009 through April 2010, which led to the drop. A GSA rate review is possible, if a governmental agency contacts GSA stating a lack of rooms at the current per diem rate.

## **Employee Free Choice Act (EFCA)**

On March 10, 2009, EFCA was reintroduced in both the U.S. House of Representatives (H.R. 1409) and the U.S. Senate (S. 560). As a result of AH&LA and our coalition partner's efforts, both bills remain blocked in the Senate and we have made the elimination of a secret ballot "toxic". The bill's supporters have not stopped pressing for its passage and are now seeking support to pass a so-called "compromise" bill before the November 2010 elections. But these compromises are really no compromise at all—the "mail-in" voting proposal still does not protect an employee's secret ballot from intimidation and manipulation, and the binding arbitration changes proposed still give government bureaucrats the final approval on an employee's contract. Both are unacceptable and will be fought by AH&LA just as vigorously as the original EFCA.

## **Travel Promotion Act**

Seeking economic benefits for a domestic market that could use some good news, the AH&LA-supported "Travel Promotion Act" (TPA) was signed into law by President Obama on March 4, 2010 after months of lobbying. The law creates a Corporation for Travel Promotion that will help attract millions of new international visitors, explains U.S. security policies, and promotes the U.S. as a premier travel destination. It is paid entirely by international travelers and voluntary industry donations—no taxpayer money is involved.

The ESTA fee is now being collected from international visitors and plans are being negotiated by travel industry members to contribute their part to the corporation and its budget. The initial members of the Corporation's board were appointed September 10, 2010 with the first series of ads targeted to be released in early 2011.

### **Travel Regional Investment Partnership (TRIP) Act**

Recognizing the importance of tourism to the American economy, Representative Sam Farr (D-CA) and Senator Mark Begich (D-AK) introduced the Travel Regional Investment Partnership or "TRIP Act," (H.R. 4676/ S. 3225) in Spring 2010 to increase domestic tourism. The TRIP Act creates a matching grant program to be administered by the U.S. Department of Commerce. These grants will promote domestic tourism through local and regional partnerships between convention and visitors bureaus and other community tourism entities, such as parks, resorts, and other attractions. The competitive matching grants will range from \$100,000 to \$1 million. Like TPA, the TRIP Act will offer an opportunity to increase domestic travel by promoting local destinations.

### **H-2B Program Reforms**

The H-2B visa program was created in 1990 to help seasonal hotels fill temporary positions with short-term international workers when no other American workers can be found. The Senate bill (S. 388) is much the same bill as last session's Senate legislation, with the H-2B relief provision extended for only three years. Both the House version (H.R. 1136) and the Senate bill have been referred to committee and are awaiting action. The bill's future in Congress this session remains influenced by any comprehensive immigration reform legislation and the state of the American economy and unemployment levels. AH&LA continues to push for its passage.

### **Climate Change**

Reduction of greenhouse gas emissions and supporting renewable energy resources remain a top priority for the Administration. The House Commerce Committee passed major climate change legislation (H.R. 2454) in May 2009 setting greenhouse gas emission reduction targets. The bill also allows companies that fall below the cap to trade or sell emissions credits to companies that exceed the limits through a "cap and trade" program. H.R. 2454 also promotes energy efficiency in new buildings through federal government building energy efficiency codes. One alternative approach is a carbon tax on businesses, which is favored by many Senators. However, the bill faces an uncertain future in the Senate because of strong business opposition including AH&LA. Final passage is doubtful in the current Congress.

### **Healthcare**

The House of Representatives approved H.R. 3590, the Patient Protection and Affordable Care Act in March 2010, which had narrowly passed the Senate in December 2009. AH&LA supported certain reforms based on employer-based insurance, tax incentives to secure insurance, small business insurance pooling, employee wellness programs, and market-based reforms to expand competition and choice. The association opposed the government-run health plan option which was passed by the House. AH&LA opposed the final healthcare bill, because the bill did not allow small business pooling across state lines, added a new \$2,000 per employee penalty on many employers, raised the costs of drugs and many medical services while adding new regulations on businesses, and did not provide meaningful tort reform.

Many provisions will not be implemented until at least 2014; however, several provisions begin implementation in 2010. These include: forbidding insurance companies from denying coverage to sick children; keeping adult children on their parents' policies until they are 26; giving small businesses tax credits to help them buy insurance for their employees; requiring all new policies to cover preventive care, including annual physical exams; banning the practice of dropping insured people when they get sick; creating a high-risk pool to subsidize adults with pre-existing conditions; and for seniors, and lowering the cost of some medicines.

AH&LA continues to work with Congress to support pro-business changes to healthcare reform while working with Federal agencies to insure the business community concerns are addressed as agencies draft implementing regulations.

More information about each of these topics can be found on AH&LA's Website, [www.ahla.com](http://www.ahla.com).