



2024 AAHOA SPRING NATIONAL ADVOCACY CONFERENCE

Background

THE TRUE VOICE OF AMERICA'S HOTEL INDUSTRY

ASIAN AMERICAN HOTEL OWNERS ASSOCIATION (AAHOA)

Founded in 1989, AAHOA is one of the fastest-growing organizations in the hospitality industry. Comprised largely of first- and second-generation Americans, AAHOA's 20,000 members own and operate 60% of hotels in the United States, representing more than 3.2 million guest rooms.

As franchisees and independent owners, our members consistently contribute to the economy through job creation, tourism promotion, real estate development, and community investment. With billions of dollars in property assets and more than a million employees, AAHOA Members are core economic contributors in virtually every community and the foremost current-day example of realizing the American Dream.

The pandemic had a devastating impact on the hospitality industry, including AAHOA Members, their hotels, and those they employ. With rising inflation, high gas and jet fuel prices, decreased corporate travel, severe workforce shortages, sky-high property insurance rates, increasing vendor prices for goods and services, and new and rising fees being imposed by their franchisors, AAHOA Members are being hit hard from every angle.

ISSUE SUMMARY

To ensure the sustainability of hotels and the broader American travel industry, we strongly urge Congress to support the following issues:

- 1 Expand access to capital by increasing SBA Loan Limit Amounts to \$10M, and supporting the *LIONS Act* (H.R. 7242)
- 2 Protect Main Street small business owners by supporting the *Credit Card Competition Act* (S. 1838/H.R. 3881)
- 3 Address workforce issues by supporting the *Overtime Pay Flexibility Act* (H.R. 7367) and the *SEASONAL Act* (S. 2705)
- 4 Develop a personal relationship with AAHOA and its 20,000 members through an array of avenues offered by AAHOA at home and in Washington

AAHOA BY THE NUMBERS

60%

Percentage of U.S. hotels owned by AAHOA Members



3.5M guests stay at member-owned hotels each night

Filling all 30 NFL stadiums and all 31 MLB stadiums combined

36K+

36,807 AAHOA Member-owned hotels in the U.S.



1M employees work at member-owned hotels, earning over \$51B annually

3.2M

Number of guestrooms in AAHOA Member-owned hotels



AAHOA hotels support \$100B in federal, state, and local taxes

This is equivalent to \$777 per U.S. household annually



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PROMOTE ACCESS TO CAPITAL BY INCREASING SBA LOAN CAPS/LIMITS

Call to Action: Support the Loans in Our Neighborhoods (LIONS) Act (H.R. 7242)

Obtaining access to capital is critical for small businesses to operate and thrive in a challenging economy. Small Business Administration (SBA) 7(a) and 504 loans are currently capped at \$5M, last set in 2010. For hoteliers, the costs of constructing and purchasing properties have skyrocketed over the past decade.

Many hoteliers make use of SBA 7(a) and 504 loans to help finance the new construction or purchase of their hotel properties. Since the value of the hotels is significantly higher than current loan limits, there remains substantial collateral for higher loan amounts.

 Congress can greatly assist small businesses by supporting the LIONS Act, which would increase the SBA loan limits to \$10M to match the current economic conditions and thereby create a more sustainable business model for the future.

CREDIT CARD COMPETITION ACT (S. 1838/H.R. 3881)


Call to Action: Support the Credit Card Competition Act (S. 1838/H.R. 3881)

Credit and debit card swipe fees have more than doubled over the past decade and soared \$22B last year to a record \$160.7B. As these fees continue to rise, AAHOA Members know precisely how much they affect our bottom line.

The bipartisan Credit Card Competition Act (S. 1838/H.R. 3881) was introduced to bring competition to the credit card network routing market. Under the legislation, a credit card company would be required to have more than one network option on which to route financial data. This would make networks compete over fees, security, and service and is expected to save merchants, like AAHOA Members and their customers, \$15B a year.

Visa and Mastercard – which control more than 80% of the market – currently price-fix swipe fees charged by banks that issue cards under their brands. They also block transactions from being processed over other networks that could do the job with lower fees and better security.

AAHOA joined the Merchants Payments Coalition (MPC), a group of retailers and other merchant businesses, to advocate for more competitive and transparent payments systems, which in turn, would lower costs and drive innovation.

 To promote fee, security, and service competition among networks, and thereby lowering costs for AAHOA Members, AAHOA strongly urges the passage of S. 1838/H.R. 3881.

ADDRESSING WORKFORCE ISSUES


Call to Action: Support the Overtime Pay Flexibility Act (H.R. 7367) and the SEASONAL Act (S. 2705)

Overtime Pay Flexibility Act (H.R. 7367)

Last fall, the Biden Administration proposed a new rule that would make 3.6 million more workers in the United States eligible for overtime pay.

The proposed regulation, unveiled by the Department of Labor, would require employers to pay overtime to salaried workers who are in executive, administrative, and professional roles but make less than \$1,059 per week (up from \$684 per week), or \$55,068 a year for full-time employees (up from \$35,568 that has been in place since 2019 when the Trump Administration raised it from \$23,660).

As proposed, the regulation is a one-size-fits-all mandate that does not reflect the reality of today's workforce. It would risk significantly higher labor costs for small business owners, including AAHOA Members, who would have no choice but to pass the costs along to consumers.


 AAHOA strongly urges the passage of H.R. 7367 to prevent the Secretary of Labor from finalizing and enforcing the proposed regulation to increase the salary thresholds for overtime eligibility.

SEASONAL Act (S. 2705)

The State Executive Authority for Seasonal Occupations Needing Additional Labor (SEASONAL) Act is bipartisan legislation that would enable governors to petition the federal government for supplemental H-2B visas beyond the national cap of 66,000.

If enacted, governors of states at or below 3.5% unemployment would have the authority to request visas for the entire state, for targeted labor categories, or for designated economic regions, depending on their specific economic needs. Governors would have to certify that there is a persistent, unmet need for labor and that supplemental H-2B visas would not displace domestic workers or negatively affect average wages in the state. Nothing in the bill would prohibit a state legislature from imposing limits on a governor's requests.

Federal inaction should not keep states from serving their economies' needs. Easing labor shortages would further increase productivity and mitigate supply constraints that are contributing to inflation.

 With the significant workforce crisis impacting the hospitality industry, AAHOA urges strong support for S. 2705 to help fill worker shortfalls by allowing governors to request supplemental visas consistent with the workforce needs of their respective states.



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WAYS TO PARTNER WITH AAHOA

As the premier voice of the hospitality industry, AAHOA seeks to partner with elected officials in Washington to provide solutions facing the industry. As AAHOA continues to enhance its advocacy presence, it can offer a wide array of activities for Members of Congress to engage with local small businesses and key constituencies back home.

Attend Regional Conferences and Speak at Town Halls; Participate in Business Round Tables in Your District/State With AAHOA Members

AAHOA offers numerous opportunities for elected officials to learn about the needs of AAHOA Members and to speak directly with constituents. AAHOA holds annual regional conference meetings, town halls, and business round tables, in addition to flying to Washington twice a year.

Interview With *Today's Hotelier*, AAHOA's Monthly Magazine Distributed to 20K Hoteliers Each Issue

AAHOA publishes a monthly magazine, *Today's Hotelier*, which gives elected officials a platform to reach AAHOA's 20,000 members across the country.

Take an AAHOA Back-of-the-House Tour

AAHOA's Back-of-the-House tours can be instrumental in educating Members of Congress on the hotel industry and the inner workings of a hotel property in their district. These 60-minute tours are also a great way to build meaningful relationships with constituents while witnessing, first-hand, the positive and irreplaceable impact small businesses have on American communities.



Scan to Watch

Rep. Dr. Rich McCormick Joins AAHOA Leaders for a Back-of-the-House Tour in Duluth, Georgia

today's hotelier



The June 2023 issue of *Today's Hotelier* featured **Congressman Jake Ellzey (R-TX)**, who serves the 6th Congressional District of Texas



The July 2023 issue of *Today's Hotelier* featured **Congresswoman Judy Chu (D-CA)**, who serves the 28th Congressional District of California



AAHOA remains the true voice of hotel owners across America and seeks a partnership with Members of Congress focused on the industry



CALL-TO-ACTION SUMMARY

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