March 12, 2020

The Honorable Nancy Pelosi
Speaker of the House of Representatives
United States House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
Washington, D.C. 20515

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington, D.C. 20510

RE: Potential Aid for Industries Impacted by Coronavirus

Dear Speaker Pelosi, Majority Leader McConnell, and Minority Leaders McCarthy and Schumer:

On behalf of the American Bar Association (ABA), the largest voluntary association of legal professionals, I write regarding prospective federal intervention to support the airline, travel and other targeted industries impacted by the coronavirus (COVID-19) epidemic. As a nonprofit association that has already had to cancel sixteen major events as a result of the virus and suffered significant financial losses, with more cancellations and financial harm expected in the near term as a direct result of COVID-19, we urge you to also include associations, nonprofits, and other tax-exempt organizations within any federal aid packages or supplemental appropriations measures you pursue.

While we recognize that Congress’s first priorities are ensuring the safety of our citizens, testing, and temporary financial assistance to individuals and families who are directly impacted by Covid-19 and are unable to continue in paid employment, it is clear that directed government assistance will be needed by business and industry. The American Bar Association conducts more than 300 in-person significant training events and major meetings both in the United States and overseas annually, with over 60,000 attendees at them. These events contribute more than $107,000,000 to U.S. gross domestic product every year, as well as ensure that attorneys and other members of the legal profession receive the training they need to provide their clients with legal services, both paid and pro bono, and expert advice in every practice area. These events also allow attorneys to meet the continuing legal education requirements established by their state bars to maintain their licenses to practice law.

The approximately $35 million of revenues normally generated by ABA meetings are a significant portion of our annual revenues and the loss of these revenues meaningfully harms our ability to fulfill our mission to serve equally our members, our profession and the public by defending liberty and delivering justice as the national representative of the legal profession. Tax changes or other federal assistance are greatly needed by our association and other nonprofits to
protect these limited resource streams for our organizations and our staffs and to ensure we all remain operationally able to support the public and fulfill our respective public service missions.

On a larger scale, the Events Industry Council’s 2018 Economic Significant Study by Oxford Economics\(^1\) shows that there are more than 1.9 million meetings in the United States each year—with more than 250 million attendees. These meetings contribute more than $446 billion to U.S. gross domestic product and directly support 5.9 million jobs nationwide.

As you are no doubt aware, the fast-spreading COVID-19 epidemic has prompted the cancellation of dozens of major meetings and events in the U.S. and forced other event sponsors to consider cancelling or postponing innumerable other events dependent on in-person attendance at convention centers, hotels and other event facilities. Many of these meetings and events also attract international participants, who generate 11.5 percent (about $38 billion) of direct spending during their visits to the U.S. International travel to the U.S. has dropped sharply during the COVID-19 outbreak and signs point to this trend growing until the virus is brought under control. The U.S. Travel Association forecasts international flights to the U.S. will plummet six percent over the next three months alone, which would be the largest decline since the 2008 economic crisis.

Additionally, many associations operate similarly to small businesses and are greatly impacted if employees must use sick leave or are quarantined as a result of COVID-19 interaction. We are aware the Trump Administration and Congress are considering measures for small businesses that may require cash flow assistance amid the outbreak, and we urge that you include tax-exempt entities, including the American Bar Association, in any temporary aid designed to stem the economic fallout resulting from COVID-19.

Thank you for your consideration. If you have questions regarding these comments, please contact Holly Cook in our Governmental Affairs Office at 202-662-1860 or holly.cook@americanbar.org.

Sincerely,

Judy Perry Martinez

CC:
The Honorable Richard Neal, Chairman
United States House of Representatives Committee on Ways & Means

The Honorable Kevin Brady, Ranking Member
United States House of Representatives Committee on Ways & Means

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