

**Testimony of Drew Daly,  
Senior Vice President and General Manager of CruiseOne,  
Dream Vacations and Cruises Inc.**

**Before the  
Senate Commerce Subcommittee on Trade, Tourism and Export Promotion  
May 25, 2021**

Chairwoman Rosen, Ranking Member Scott, and Members of the Subcommittee, thank you for holding this important hearing, and for your efforts to bring attention to the devastating economic impact suffered by the countless travel and tourism industry workers and small businesses across the United States due to the COVID-19 pandemic.

My name is Drew Daly, and I am the Senior Vice President and General Manager of CruiseOne, Dream Vacations and Cruises Inc. (hereinafter collectively referred to as “Dream Vacations”), which is part of World Travel Holdings, the nation’s largest cruise agency and award-winning leisure travel company. Dream Vacations is a low-cost, low-investment home-based travel agency franchise with several thousand franchise owners nationwide. We provide our network of travel advisors with the resources they need to own and operate a small business and make it successful in the long term.

As we build our network across the United States, we strive to promote diversity and support veterans. Recognizing that the skills veterans learn in the military translate well into business ownership, Dream Vacations is committed to recruiting military veterans and their spouses. We are the only travel advisor franchise to have a “5-Star Ranking” as a member of the International Franchise Association’s VetFran initiative. More than 35 percent of our travel advisor network consists of military veterans or active-duty spouses. In addition, approximately

70 percent of our travel advisor franchises are women-owned. Running a Dream Vacations travel advisor franchise is a popular career path for “mompreneurs” and stay-at-home parents because they have the flexibility to set their own hours to revolve around family schedules.

**Travel Advisors Make Travel Happen**

On behalf of Dream Vacations’ travel advisors, World Travel Holdings, and the broader travel advisor community across the United States, I am pleased to participate in today’s hearing. Travel agents do in fact exist, and over the years, we have evolved into travel advisors. Travel advisors play a critical role in working with clients to plan travel for business and leisure purposes, delivering exceptional customer service.

Travel advisors earn a living based on what they sell to their customers and get paid on the actual departure. We book vacation packages, hotels, car rentals, tours and excursions, airline tickets, and many other components of the travel journey. We truly are focused on ensuring that consumers and travelers maximize their investment and receive the best experience that suits their needs. One travel and tourism sector that is especially important to Dream Vacations, World Travel Holdings, and our travel advisors is cruise. Seventy-eight percent of all cruises are booked by a travel advisor, and largely 75 percent of the business that comes through the doors of these small business owners is from cruise.

Today, more than 70 percent of our cruise bookings are for 2022 departures. Despite industry leading protocols and proven sailings in other regions of the world, it has been almost 16 months since cruise ships departed from U.S. ports. Although we do see hope for a restart of cruise on the horizon, tens of thousands of small business owners in the cruise community have been directly impacted by the suspension of cruise operations and without revenue for 16

months. The biggest hurdle now for the continued success of our travel advisors is for cruising and all forms of travel to come back full throttle.

We were pleased to see passage last week of the Alaska Tourism Restoration Act introduced by Senator Lisa Murkowski (R-AK), Senator Dan Sullivan (R-AK), and Representative Don Young (R-AK). This removes a barrier to the restart of cruises in Alaska by temporarily waiving the requirement of the Passenger Vessel Services Act for Alaska cruises departing from Washington State to stop in Canada for the duration of Canada's ban on cruise ships in its waters. Alaska is a critical cruise market, not just in terms of cruise bookings, but also the jobs supported by the cruise passengers that visit the state. We greatly appreciate the work of the Senate Commerce Committee and Alaska's Congressional Delegation in supporting the resumption of cruise operations, and our hope is that cruises will be able to sail from U.S. ports this July.

### **Devastating Impacts of COVID-19**

Travel advisors play a critical role in advocating on behalf of their customers. Like an attorney or financial advisor, they have a fiduciary duty to do what is best for their clients, while ensuring they are protected when traveling should any challenges arise along their journeys. As you can imagine, the COVID-19 pandemic certainly highlighted this important work. Travel advisors worked around the clock to make alternative arrangements to bring stranded Americans home from far away destinations when international borders began to close. While travel advisors remained busy at the beginning of the COVID-19 pandemic helping clients adjust travel plans, new business quickly disappeared as Americans and the rest of world abruptly stopped traveling.

The resulting devastation felt across the entire travel and tourism industry was unimaginable. According to the U.S. Travel Association, the reduction in travel caused by COVID-19 resulted in a \$500 billion loss in travel spending across the United States in 2020, with 5.6 million travel-supported jobs lost, accounting for 65 percent of all jobs lost in the country.<sup>1</sup> Specific travel sectors, such as cruise, have been hit particularly hard. According to the Cruise Lines International Association, the cruise industry in the United States has suffered \$39 billion in total economic losses, including the loss or significant reduction of work of more than 300,000 jobs along with \$16.5 billion in wages, since voluntarily suspending operations in March 2020. Cruise is the only travel and tourism sector in the United States still shut down, although discussions with the U.S. Centers for Disease Control and Prevention toward the restart of cruises from U.S. ports remain underway.

We have seen a number of our travel advisors shift gears and do their best to make a living during this downturn. In Florida, several locations unfortunately closed their doors and others who have resorted to other sources of income. For example, one of our top producing franchisees nationwide and a Florida resident had to go back to being a school nurse to earn an income, while another franchisee started working in a local grocery store. In Nevada, we saw a franchisee become an Uber driver to provide for some money coming in so they can put food on the table for their families. An agency in Washington state started hosting virtual wine tasting events and partnering with other local businesses so they can provide experiences to their customers and maintain relevance.

While we are optimistic about the prospect of a return to normalcy as the public health environment in the United States continues to improve with widespread vaccination and with

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<sup>1</sup> [https://www.ustravel.org/system/files/media\\_root/document/Research\\_Fact-Sheet\\_Industry-Table.pdf](https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_Industry-Table.pdf)

many Americans now ready to make plans for summer vacations, the reality is that the recovery will not happen overnight. The U.S. Travel Association expects that it will take the travel and tourism sector five years to fully recover from the losses experienced during the COVID-19 pandemic. My sincere hope is that the recovery will not take that long.

### **Congress Can Help Recover Travel Demand**

Congress can help the travel and tourism sector recover by enacting policies to spur travel demand and support workers who are not yet fully participating in our country's economic recovery. While many Americans are now ready to travel again, others may still be hesitant or may be recovering from the economic toll of the pandemic. The economic impact has been unequal across sectors and regions in our country. Many Americans that would welcome the opportunity to travel simply may be unable to because of the financial hit they have suffered over the last year. Providing temporary targeted relief that encourages Americans to travel could boost demand, allow travel providers to hire back workers, and speed up the recovery of our sector.

Many workers and businesses in the travel and tourism community, including our travel advisors, are grateful for the strong economic support provided by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and subsequent relief packages approved by Congress. Relief programs like the U.S. Small Business Administration's Paycheck Protection Program (PPP) provided much needed lifelines to many small businesses and workers in the travel and tourism sector that suffered catastrophic business losses because of the pandemic. However, many others were unable to qualify for the programs. Because travel advisors make money on departures, we have many new small business owners who have made sales but have not yet

earned anything. Since they had no income at the time, they did not qualify for CARES Act relief funding.

Every week my team has individual conversations with small business owners about staying motivated and focused on the future as we know it is going to be brighter. However, the stories that we hear are truly heartbreaking as families' livelihoods are on the line. Because travel agents do not earn an income until travelers travel, we anticipate that many travel advisors could suffer financial hardship for the next year as they continue booking future travel. Given these challenges, many travel advisors still need help. With the PPP set to expire in May, I ask that you consider extending targeted relief programs for sectors that will take longer to recover.

### **Closing Summary**

Thank you again for the opportunity to testify before the Subcommittee today. On behalf of the travel advisor community, your efforts to support the recovery travel and tourism and the many small businesses that are critical to the sector are greatly appreciated. Travel advisors are certainly going to play a key role in helping get Americans traveling again, boosting economic recovery across the United States. We need to ensure these businesses and their workers can survive the remaining challenges presented by the COVID-19 pandemic. I look forward to your questions.