

TESTIMONY OF JORGE PEREZ  
MGM RESORTS INTERNATIONAL  
U.S. SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION  
SUBCOMMITTEE ON TOURISM, TRADE, AND EXPORT PROMOTION  
HEARING ON THE STATE OF TRAVEL & TOURISM DURING COVID: INDUSTRY PERSPECTIVES  
APRIL 13, 2021

Chairwoman Rosen, Ranking Member Scott, and Members of the Subcommittee:

My name is Jorge Perez and I am the Regional Portfolio President for MGM Resorts International. I appreciate the opportunity to provide testimony on behalf of MGM Resorts and our experience during the past year as the country and the world has been ravaged by the coronavirus pandemic.

MGM Resorts International is a global entertainment company with 29 unique hotel and gaming destinations across eight states domestically and Macau. Last year was one of the most difficult years ever faced by our industry, company, and employees. The coronavirus has created a worldwide crisis, a disruption and uncertainty at a scale that would have been unimaginable before 2020.

MGM Resorts first felt the impacts of the pandemic at our properties in Macau, which closed on February 5, 2020. In March of 2020, each of our regional properties closed. And those shutdowns were followed by Las Vegas – with the Las Vegas Strip going dark for the first time in its history. Our properties in Las Vegas and regionally were closed for months. Like many, MGM Resorts faced a number of difficult decisions, including widespread furloughs and workforce reductions. We furloughed as many as 60,000 members of our team.

During this time of great hardship, MGM Resorts and our team members sought ways to demonstrate great care and compassion for one another and for those most impacted in our communities.

MGM Resorts provided extended health benefits for tens of thousands of employees and their families. Our MGM Resorts Foundation Employee Emergency Grant Program disbursed over \$15.5 million to help employees pay for financial difficulties faced during the pandemic, covering over 21,000 bill payments. Thanks to the tenacity of our chefs and our long-standing community partnerships, within days of shutting down, MGM Resorts donated more than 662,000 pounds of food—or 552,000 meals—to various community organizations.

We also worked to help with the significant shortage of personal protective equipment (PPE) for our medical professionals. MGM Resorts leveraged our supply chain, procurement capabilities, and other resources to provide urgent logistical support to manage supply shortages. Through our colleagues in Macau, we procured and delivered 261,000 gowns, 200,000 gloves, and 500,000 KN-95 masks in Nevada. We continue to focus on our commitment to the communities that have welcomed us, to give generously to our neighbors, and embodying our core value of embracing humanity every day.

Due to the pandemic, families and friends were unable to get together. Your committee, and others, have needed to adjust how you work and we are here today, joining each other virtually. Just as the nation and the world, and this committee, has had to adjust their way of living, MGM Resorts has had to adjust our way of conducting business.

While it has been a year of hardship, it has also been a year of innovation and change. When we reopened our properties, we overhauled our operations drastically. Developed in consultation with scientific, medical, and public health experts, we implemented comprehensive health and safety protocols, including installing plexiglass dividers and handwashing stations throughout our resorts; digital innovations such as contactless check-in/check-out and restaurant menus; enhanced HVAC protocols; temperature testing for team members and guests; and on-site rapid COVID-19 testing for events, just to name a few.

As the world strives to return to normal, we appreciate the continued leadership and support of the federal government. Coronavirus relief bills passed by Congress helped so many around the country – whether it be our small business partners through the Paycheck Protection Program or MGM through the Employee Retention Tax Credit (ERTC), which helped us in our efforts to provide extended health care benefits to our employees and their families while our properties were shuttered.

Notwithstanding these efforts, the country's travel and tourism industries, and our workers, have been hit disproportionately hard. At MGM Resorts, our Las Vegas resorts were particularly impacted versus our Regional properties as both domestic and international customers chose to stay closer to home and their mid-week reliance on the Convention and Trade Show sector. Our Regional Resorts experienced a slight benefit from the lack of competition in local markets as dining and entertainment options were limited.

Nationwide, travel spending was down \$500 billion, costing the U.S. economy \$1.1 trillion. At the current pace, the travel industry is not expected to fully recover until 2025<sup>1</sup>. We are hopeful that this estimate is not accurate, and that recovery will arrive much sooner than 2025. There are key policy initiatives that can help the industry – and the nearly 16 million American workers it employed before the pandemic – achieve a speedier recovery.

One of the biggest policy priorities for the travel and tourism industry is the bipartisan legislation introduced by Senator Catherine Cortez Masto (D-NV) and Senator Kevin Cramer (R-ND), the *Hospitality and Commerce Job Recovery Act of 2021* which provides individual tax credits to stimulate nonbusiness travel, restores the entertainment business expense deduction, and would provide tax relief for restaurants and food beverage companies. Additionally, it would assist the convention and trade show industry, which saw a year-over-year decline of 98.3% from the fourth quarter of 2019 to 2020<sup>2</sup>. The bill would establish a temporary tax credit to support the industry by providing tax credits for costs associated with reopening convention and trade show

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<sup>1</sup> [U.S. Travel Association](#)

<sup>2</sup> [Center for Exhibition Industry Research](#)

facilities, including any renovation, remediation, PPE, cleaning, testing, or associated labor costs. We are looking forward to welcoming conventions back to our resorts and welcoming them back safely.

We welcome the safe and science-based easing of government restrictions, which will permit us to bring back more of our world-renowned amenities to a greater number of guests, allowing us to bring back more employees. At MGM Resorts, we understand the need to remain vigilant and maintain our focus on the well-being of our employees and our guests. Vaccination is a critically important tool in helping to end the pandemic and accelerate our community's economic recovery. We are committed to doing all that we can to help get as many people vaccinated as quickly as possible by removing barriers to access and bringing vaccination clinics directly to our employees in Nevada, Michigan, and other states where we operate. Throughout our footprint, we have worked with local partners to offer vaccinations to our employees at no cost.

It has been a difficult year, but there is great reason for cautious optimism. We at MGM Resorts await the ability to welcome and entertain the world without restriction and to help our guests celebrate and live life to its fullest.

Thank you for the opportunity to present my testimony.