

AMERICAN HOTEL & LODGING ASSOCIATION

2018 Policy Guide

For Our Workforce, Hotel Guests, and Our Communities



Brands



Independent Properties



Management Companies



Owners



Cross section of our membership.

People are the heart and soul of the hotel industry.



Our industry is 8 million strong. We welcome hardworking professionals in search of lifelong careers and the opportunity to achieve the American Dream, and work hard to ensure they have access to the education, training and resources to get there.

Every day, millions of guests walk through our hotels, inns and bed & breakfasts, pumping \$1.1 trillion into local economies through hotel revenue, guest spending and taxes. From weekly road warriors to families on a once-in-a-lifetime vacation, we strive to help create memorable experiences for every guest, every time.

Hotels are a pillar of local communities across America. Our industry generates nearly \$170 billion in federal, state and local taxes—funds which help maintain roads, schools, emergency response services and more. And, while many people think of the hotel industry as the major brands they know and love, three out of every five hotels are small businesses. These entrepreneurs are proudly serve not only their guests and employees, but also their communities.

The American Hotel & Lodging Association (AHLA) is honored to lead the hotel industry's national advocacy agenda and share stories of opportunity, growth, innovation and success. From city hall to the halls of Congress and the Administration, we are committed to engaging policymakers on behalf of our industry, our people, and our communities. Together we can create conditions that empower our workforce, strengthen our communities and lead to greater growth across America.

Sincerely,

A handwritten signature in black ink that reads "Katherine Lugar". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Katherine Lugar, *President & CEO*

About AHILA



The American Hotel & Lodging Association (AHLA) is the sole national association representing all segments of the 8 million jobs the U.S. lodging industry supports—including hotel owners, Real Estate Investment Trusts (REITs), chains, franchisees, management companies, independent properties, bed and breakfasts, state hotel associations, and industry suppliers. Headquartered in Washington, D.C., AHLA has provided strategic advocacy, communications support, and educational resources for more than a century.

TABLE OF CONTENTS

4-5	One Powerful Voice AHLA serves every segment of the hotel industry.
6-7	A Dynamic Force We're in the people business.
8-11	Supporting Our Workforce We are 8 million strong and growing.
12-15	Protecting Our Guests Technology has transformed the booking process.
16-19	Building Our Communities The hotel & lodging industry is a bedrock of our economy.
20-21	AHLA Contacts How to contact us.

One powerful
VOICE



Our association proudly serves every segment of the industry.

We are vibrant, dynamic, and diverse—from global brands to the small and independent inns and bed & breakfasts that line main streets across the country.

AHLA is the singular voice that brings together and represents the lodging industry’s multitude of constituents:

- Leading hotel brands
- Hotel owners and Real Estate Investment Trusts (REITs) and management companies
- Branded and independent properties and bed and breakfasts
- State hotel associations
- Industry partners and suppliers

From owners and CEOs to every team member working in hotels across America, we are honored to support the millions of individuals who make our industry go.



A dynamic force



The hotel industry is a business of people.

We are committed to be a good employer, a good host and a good neighbor.

Our industry offers lifelong careers and the unique ability to achieve the American dream. We work hard to ensure employees have the educational opportunities, training, skills and resources they need to earn promotions and climb the ladder from entry level to management and on to the C-suite.

More than half of hotel department managers and many general managers started their hotel careers in hourly, entry-level positions. (WageWatch Survey, 2016)

Every day, we create memorable experiences to make guests' dreams come true—and we're welcoming more guests into our hotels, inns and bed & breakfasts than ever before.

More than 5 million guests from around the world stay in American hotel rooms each night. (Bureau of Economic Analysis: Oxford Economics)

Hotels large and small are a cornerstone of strong, vibrant local economies. Our guests spend billions at local restaurants, stores, and other businesses as part of their trip, and we generate billions more in federal, state and local taxes. Hotels, inns and bed & breakfasts take seriously our obligation to be good neighbors, and we are committed to reinvesting and supporting the communities we call home.

Each year, guests spend nearly \$500 billion in local communities as part of their travel. (Bureau of Economic Analysis: Oxford Economics)

Supporting our workforce



2017 AHLA STARS OF THE INDUSTRY AWARDS WINNER Maria Ortiz, Wyndham Houston Medical Center Hotel and Suites
The AHLA Stars of the Industry awards program recognizes outstanding accomplishments in the lodging industry, honoring lodging employees and properties that best symbolize the quality service of the industry.

The workforce that powers the U.S. hospitality industry is 8 million strong and growing.

In communities across America, we are a driving economic force, providing opportunities for upward mobility, fast-tracked promotions, workplace flexibility, and long-term careers.

With three out of every five hotels considered small businesses, the hotel industry supports policies that empower the entrepreneurial spirit and encourage business growth. However, in recent years, many workforce and labor initiatives at the local, state and federal level have threatened to impede this growth, jeopardizing those who seek to achieve the American Dream.



AHLA supports policies that strengthen our employees' well-being, workforce flexibility, and a fair and equitable work environment, as well as the ability for employers to create jobs and improve the career paths of those in the workforce.

*A typical hotel supports more than
250 local jobs every year.*
(Bureau of Economic Analysis: Oxford Economics)

*The hotel industry supports
\$355 billion in total labor income.*
(Bureau of Economic Analysis: Oxford Economics)

PROTECTING THE FRANCHISE MODEL

For more than three decades, the joint-employer standard was one of the cornerstones of labor law, protecting small businesses from undue liability involving employees over which they do not have actual or direct control. In the 2015 Browning-Ferris (BFI) decision, the National Labor Relations Board (NLRB) redefined what it means to be a joint employer, creating uncertainty for employers. The new BFI standard made employers potentially liable for actions and activities of employees they do not employ, jeopardizing business-to-business contractual relationships. In December 2017, NLRB reversed Browning-Ferris, ruling in the Hy-Brand case that a business must have direct and immediate connection to the employees in question. Subsequently, the Hy-Brand case was vacated due to a conflict of interest issue with one of the Board members and thus Browning-Ferris was reestablished, creating even more confusion.

The hotel industry has thrived by fostering opportunities for entrepreneurs across the country to open their own hotels through the franchise model. This has allowed so many in our industry to achieve the American dream. The 2015 BFI decision has hurt franchisors and franchisees alike.



The Browning-Ferris decision continues to create unnecessary concern for employers and turmoil within our nation's labor laws. Following the U.S. House's passage of the Save Local Business Act in late 2017, AHLA will continue to urge the U.S. Senate and Congressional leadership to pass legislation that will codify the long-standing and clear definition of joint employer, which is defined by direct and immediate control standard.

Nearly all hotels offer benefits to full-time employees, including medical, dental and vision insurance, and 70 percent of hotels offer tuition reimbursement.
(WageWatch Survey, 2016)

IMMIGRATION REFORM

Our industry thrives because our employees are as global as our guests. We offer so many a pathway to achieve the American Dream, and we have the privilege of witnessing the economic and social value they provide every day. One of the most urgent challenges facing the industry today is hiring workers to fill critical service positions. The hotel industry supports a balanced approach to immigration reform that meets our workforce needs.



AHLA supports comprehensive immigration reform that will enable the hotel industry to meet the increasing demand for employees, while protecting our national security and ensuring all workers are protected by federal labor laws. AHLA also supports legislation and policies that strengthen access to legal guest workers.

HOTEL-ONLY WORKFORCE INITIATIVES

The hotel industry is integral to the American economy, supporting \$355 billion in total labor income each year. There is no question that the hardworking professionals we employ are the heart of our business. We are committed to providing them with a safe and healthy work environment, competitive wages and benefits, educational opportunities and room for advancement.

Unfortunately, the hotel industry has recently been targeted by some state and local government entities with hotel-only workforce initiatives. Workforce ordinances that single out hotels and include opt-out provisions for unionized workplaces give labor an unfair advantage. These provisions are discriminatory and disrupt the well-established balance between management and labor laid out by federal labor law.



AHLA views local workforce initiatives that single out only hotels as unfair and a direct attack on our industry. We support policies that treat all workers and businesses equally and fairly, and we will continue to engage state and local governments to ensure that our industry has a meaningful seat at the table when workforce legislation is under consideration. As an industry, we are the leading advocate for our employees, and we are committed to providing a safe and secure workplace, competitive benefits, and advancement opportunities.

Protecting our guests



Technology has transformed the way guests book their hotel rooms and created new customer-oriented business models.

The hotel industry has been a leader in the evolving digital landscape for decades and were among the first to move products to the online space. In fact, hotel bookings make up 15 percent of all U.S. ecommerce, with 500 online bookings happening every minute.

Throughout this transformation, the hotel industry continues to put guests first to ensure they get what they want and need out of their reservation and their travel experience. Your vacation starts when you book the room, and hotels work hard to ensure your experience is seamless from the booking process, on through check out and beyond. We continue to make exciting advancements as part of our commitment to continuously improve the guest experience, from more efficient booking processes to mobile apps that allow you to choose and even unlock your room.

Unfortunately, with new technology and innovation come a significant increase in deceptive websites and marketing practices designed to mislead and defraud consumers. AHLA and the hotel industry are focused on raising awareness and helping to protect consumers, as well as ensuring ample consumer choice and transparency throughout the online booking process.

74% of travelers are unaware that most online travel agencies are owned by just two companies.
(Axis Research, 2017)

22% of Americans have booked with a site they believed was a hotel and later found out it was a fraudulent, third-party site. (Axis Research, 2017)

ONLINE BOOKING SCAMS

Every day, deceptive websites, online ads, and search engines mislead thousands of consumers into believing they are booking directly with a hotel's website or call center, when in fact they have no relation. These practices deceive consumers and can result in lost reservations, additional room charges, failure to receive brand loyalty or rewards points, cancellation and booking fees, or incorrect accommodations. An independent consumer poll commissioned by AHLA in 2017 found that 22 percent of travelers reported having booked on what they believed was a hotel's official website, only to find they had booked on a fraudulent site. That amounts to 55 million hotel bookings of this type each year, translating to \$3.9 billion in counterfeit bookings.

In December 2017, the Federal Trade Commission announced that Reservation Counter, LLC, settled charges that they misled consumers through deceptive online marketing and call center practices that led consumers to mistakenly believe they were working directly with the hotel, and failed to properly disclose to consumers that their credit cards would be charged immediately, rather than upon arrival at the hotel. This decision sets an important precedent.



AHLA believes transparency in the booking process is paramount and consumers have a right to know who they are booking with. AHLA urges lawmakers to crack down on websites that pose as hotels to prey on travelers. AHLA supports the Stop Online Booking Scams Act, which would force online travel agencies to prominently disclose to consumers that they are not booking directly with the hotel.

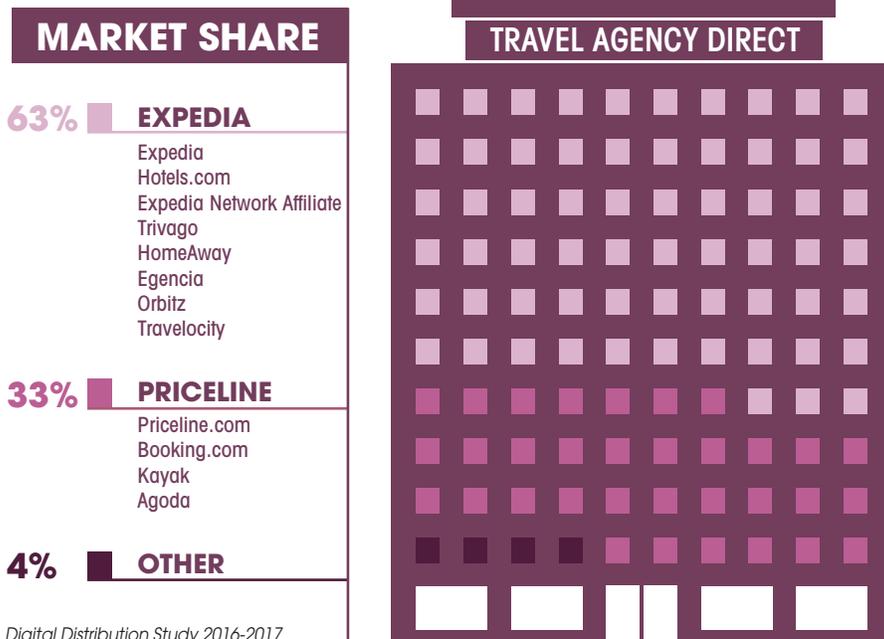
CONSOLIDATION OF ONLINE TRAVEL AGENCIES

Although it may seem as if there are unlimited options available for booking online travel, the online travel agency (OTA) marketplace has experienced significant consolidation in recent years. Three in four consumers (74%) are unaware that when they comparison shop among “digital middle men,” they’re comparing the same two companies: Expedia and Priceline, which together control 95 percent of the online travel market. OTA market consolidation limits consumer choice and hurts small business. In our ever-evolving digital marketplace, we must make transparency and consumer protection a priority.



While OTAs are an important partner to the hotel industry, we are concerned with the rise of deceptive marketing and anti-competitive practices in the online space. AHLA believes that consumers should receive fair and transparent information whenever and wherever they book their hotel stay online. We urge lawmakers to investigate anti-competitive practices and provide greater protection and disclosure for consumers.

Together, Expedia and Priceline control 95% of U.S. online travel agency bookings.
(Kalibri Labs)



Digital Distribution Study 2016-2017

Building our communities



Dreams happen here.



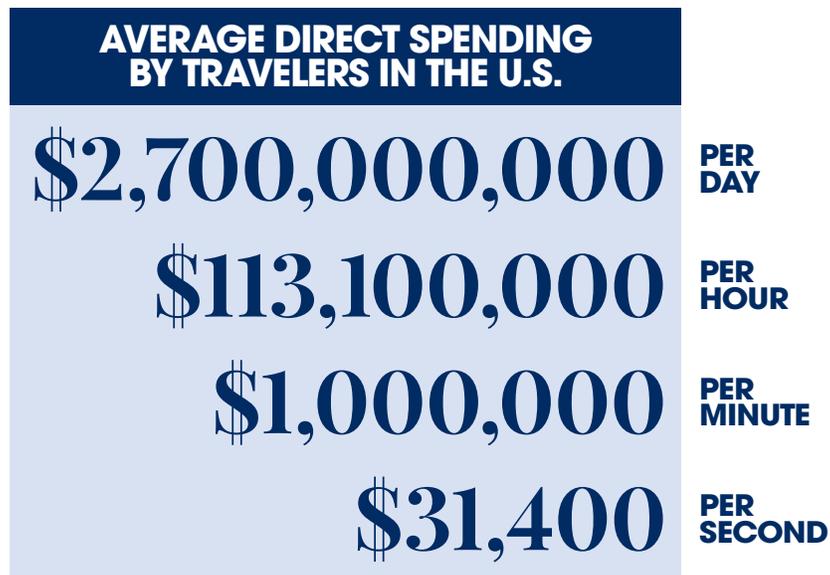
DREAMS HAPPEN HERE EVENT IN BALTIMORE ANNOUNCING A GRANT TO PROMOTE APPRENTICESHIPS FOR OPPORTUNITY YOUTH
Left to right: **Wynter Sharps**, Maryland Apprenticeship Program Member; **Shelly Weir**, Senior Vice President of Career Development, AHLA; **Amy Rohrer**, President & CEO, MHLA; **Kelly Schulz**, Maryland Secretary of Labor

The hotel and lodging industry is a bedrock of the American economy and drives economic growth and development.

With more than 1.1 billion guest nights annually, supporting \$1.1 trillion in sales, the hotel and lodging industry is stronger and more vibrant than ever. From small and independent properties to global brands, our industry supports 8 million jobs and spurs nearly \$500 billion in annual guest spending on main streets across America.

As employers, taxpayers, and neighbors, we are honored to be an important part of your community, and committed to growing it together. Our industry welcomes competition on a level and legal playing field and believes we all have an obligation to the communities and neighborhoods we serve.

1 in 9 American jobs depends on travel and tourism.
(U.S. Travel Association, 2017)



U.S. Travel Association, 2017

ILLEGAL HOTELS

Across the country, local and state governments are reining in unregulated commercial activity fostered by short-term rental companies such as Airbnb and HomeAway. Facilitated by these entities, commercial operators list multiple units in the same metropolitan area or list units for extended periods of time, flouting basic safety and security laws, zoning rules and taxes. In cities and towns of all sizes, state capitals, and increasingly here in Washington, policymakers are enacting commonsense regulation and tax collection of the short-term rental market to curb commercial activity, protect residents, and support communities.

A broad coalition of affordable housing advocates, neighborhood associations, labor, concerned citizens and policymakers, including our industry, believes that this often-illegal commercial activity threatens quality of life by reducing affordable housing inventory, increasing rent prices, fracturing a neighborhood's community fabric, and raising safety concerns as neighbors are replaced with a revolving door of strangers. More transparency by these platforms is required to protect local citizens. Further, when it comes to taxes, some of these companies rely on backroom deals, known as "voluntary collection agreements" (VCAs), rather than transparent tax structures that every other law-abiding business in America is required to have in place. A 2017 analysis found at least 58 percent of Airbnb VCAs include hidden provisions such as blocking auditor access to Airbnb books and back-tax amnesty provisions.



AHLA believes that there should be a level and legal playing field within the lodging sector, and that regulations and taxes with respect to short-term rentals should be strictly enforced. We support the rights of property owners to occasionally rent out a room or their home, but commercial operators within the short-term rental industry should not be allowed to operate outside of the law, including but not limited to their continued skirting of local and state laws and tax provisions.

81% of Airbnb's U.S. revenue – \$4.6 billion – comes from whole-unit rentals.
(CBRE Hotels, 2017)

85% of Americans agree that commercial short-term rental operators should be required to register with the city and pay taxes.
(Axis Research, 2017)

INTERNATIONAL TRAVEL AND TOURISM

Travel and tourism is a critical driver of the American economy, generating \$2.3 trillion in economic output and supporting one in nine American jobs. The hotel industry has been a bright spot in job growth, leading the nation's economic resurgence and improving the employment landscape. Generating and maintaining this growth requires increasing the flow of international visitors to the U.S. while recognizing the value of government, business, and leisure travel here at home.



AHLA believes we can facilitate and encourage international travelers to visit the U.S. while keeping our security strong.

Working with a broad set of industries beyond just travel and tourism, AHLA will seek to reverse the recent downturn in international visitors to the U.S. by highlighting the importance of travel to jobs, economic growth, and trade balances. We support a more welcoming message to the rest of the world and policies that strike the appropriate balance between security and travel. As part of these efforts, we will continue to support policy initiatives such as the visa waiver program and Brand USA.

For every \$100 hotel guests spend in lodging, they spend another \$221 in local communities—a total of nearly \$500 billion each year.

(Bureau of Economic Analysis: Oxford Economics)

Domestic and international visitors generate \$2.3 trillion in economic output each year.

(U.S. Travel Association, 2017)

Contact our
team

A stylized white outline of a house with a gabled roof and a chimney, positioned to the right of the word 'team'.



Brian Crawford
Senior Vice President, Government Affairs
bcrawford@ahla.com • 202-289-3147



Amy Travieso
Vice President, Government Affairs
atravieso@ahla.com • 202-289-3103



Craig Kalkut
Vice President, Government Affairs
ckalkut@ahla.com • 202-289-3126



Troy Flanagan
Vice President, Government Affairs & Industry Relations
tflanagan@ahla.com • 202-289-3125



Chris Burgoyne
Vice President, Government & Political Affairs
cburgoyne@ahla.com • 202-289-3120



Kalyn Stephens
Vice President, Government Affairs and Advisor to the President & CEO
kstephens@ahla.com • 202-289-3109

For media inquiries, please contact:



Rosanna Maietta
Senior Vice President, Communications and Public Relations
rmaietta@ahla.com • 202-289-3144



Jennifer Myers
Senior Director, Government Affairs Communications
jmyers@ahla.com • 202-289-3148



AMERICAN HOTEL & LODGING ASSOCIATION

1250 Eye St. N.W., Ste. 1100, Washington, D.C. 20005

www.AHLA.com