

Air travel related organizations including IAADFS seek targeted funding from US Congress

This week, the International Association of Airport Duty Free Stores (IAADFS) has co-authored with the Airport Restaurant and Retail Association (ARRA), the Airport Minority Advisory Council (AMAC), the National Parking Association (NPA), and the American Car Rental Association (ACRA) sent a letter to Speaker Pelosi, Majority Leader McConnell, Senate Minority Leader Schumer and House Minority Leader McCarthy to request financial relief for duty free, travel retail, and other concessionaires that operate within US airports, all of which have been negatively impacted by the COVID-19 crisis.

In the letter, the associations collectively asked for “not less than \$5 billion in targeted funding required for our industry to survive this national crisis.”

While many sectors have been negatively affected during this time, travel and travel related industries have suffered devastating blows, and all signs point toward a long and slow recovery. Operators within this industry have been forced to reduce staff, temporarily close and in some cases are considering closing permanently.

These concessionaire-related businesses have been strongly negatively affected, and, as IAADFS President Michael Payne stated, “Our hope is that securing dedicated funding will help protect our operator members so that as the crisis eases and travel begins to come back, those concessionaires are better prepared to resume operations. This will benefit not only the operator members but also the key suppliers of products sold in those stores and service providers that support the duty free and travel retail marketplace.”

The letter informs or reminds congress of the essential benefits brought by the airport concessionaires, providing approximately 320,000 jobs and earning substantial revenues for airports, contributing approximately \$8 billion annually. Additionally, these concessions deliver vital services for travelers.

While other contributors to US air travel received targeted assistance through the CARES act, the letter states, concessionaires did not. These businesses, imperative to the comprehensive operation of airports, operate on slim margins at the best of times, but during these times have seen revenues drop up to 95% while still needing to make payments to airports, having already put out huge capital investments.

These concessionaire associations therefore have asked the US Congress to target a minimum of \$5 billion, so they will be able to maintain staff and cover other obligations including rent.

“While directed at a US legislative action,” says Payne, “our hope is that this information about the importance of the industry and synergy with others impacted by the crisis will resonate throughout the Americas and beyond and will help foster a new way of holistically thinking about the airport ecosystem we all depend on.”