

## Multi-Billion-Dollar Economic Loss from Deteriorating Air Travel System Hits Small Businesses

Hardest

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Travel Industry Association CEO Testifies Before House Committee that Travelers Are Looking for Leadership from Washington to Address Air Travel Woes

In testimony before the House Small Business Committee today, Roger Dow, President and CEO of the Travel Industry Association (TIA), said that deep frustration with the air travel process, including inefficient security screening and flight delays and cancellations, caused travelers to avoid 41 million trips over the past year. Dow noted that security and air traffic control, which is the source of many flight delays and cancellations, are both within the purview of the federal government. He said that travelers are voters too and they are looking for a champion to stand up for the traveling public.

"The problem America faces today is that our air travel system is in steep decline. This is not a problem solely for the aviation community, but for business across America," stated Dow.

TIA recently partnered with Peter D. Hart Research Associates and The Winston Group - two of the nation's premier political polling firms - to garner a better understanding of travelers' concerns with the air travel process and what effect, if any, those concerns have on their decision to fly. The TIA survey looked at issues other than cost and the recent increase in fuel prices. Conducted between May 6 and May 13, a random sample of more than one thousand air travelers (Americans who had taken at least one round trip by air during the preceding 12 months) were interviewed.

"The survey revealed that deep frustration among air travelers led them to avoid an estimated 41 million trips during the 12 months preceding the survey," said Dow. "TIA estimates that represents a \$26 billion loss in consumer spending to the U.S. economy, including \$9.4 billion in lost airline revenues, \$5.6 billion in lost hotel receipts, \$3.1 billion in lost restaurant income and \$4.21 billion in lost federal, state and local taxes."

Dow also cited a report released recently by Senator Charles Schumer and Congresswoman Carolyn Maloney of the Joint Economic Committee, which estimated that the indirect costs of wasted time, wasted fuel and lost productivity caused by flight delays is more than \$40 billion per year.

"Taken together, the direct and indirect costs of a broken air travel system approach \$70 billion per year," stated Dow. "A U.S. economy that may be tipping into recession simply cannot afford this level of disruption."

Dow went on to point out that these economic losses are most harshly felt by small businesses. "Businesses within the travel sector are particularly dependent on reliable and efficient air travel. Over 95 percent of travel and tourism businesses are small businesses: 98 percent have 100 or fewer employees and 99.5 percent have 500 or fewer employees. Anything that affects air travel in the United States hits these small businesses harder," said Dow.

[Click here](#) for a copy of Roger Dow's testimony to the House Committee on Small Business in its hearing titled, "Grounded: How the Air Transportation Crisis is Affecting Entrepreneurs and the Travel Industry."

The Travel Industry Association is the national, non-profit organization representing all components of the \$740 billion travel industry. TIA's mission is to promote and facilitate increased travel to and within the United States. TIA is proud to be a partner in travel with American Express. For more information, visit [www.tia.org](http://www.tia.org).

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