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**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515

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WATER, OCEANS AND WILDLIFE

INDIGENOUS PEOPLES OF THE UNITED STATES

March 20, 2020

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
H-232, The Capitol  
Washington, DC 20515

Dear Speaker Pelosi,

As you guide the third piece of emergency legislation through the U.S. House of Representatives to address the Coronavirus Disease 2019 (COVID-19) public health, economic and social crisis, I write to highlight the specific circumstances and concerns of critical linchpins of my Hawaii's economy that are suffering severe immediate impacts

First, I express my appreciation and support for your leadership in passage and enactment of our first two bills, H.R. 6074, the Coronavirus Preparedness and Response Supplemental Appropriations Act of 2020, and H.R. 6201, the Families First Coronavirus Response Act. These emergency laws rightly target immediate needs in critical areas including scientific research, testing, aid to state and local governments, small business assistance, and health, food and income security and other vital social safety net programs of especial importance to our most needy.

I fully agree that these two laws are insufficient and that we must boost each of these areas substantially. I also fully agree that at least a third and, in all likelihood, more measures will be required to truly advance not only emergency stabilization and assistance requirements but midterm mitigation and longer-term recovery.

In doing so, I fully agree that we must especially focus on those among us in the most dire need and must ensure that the substantial but not endless resources of our federal government are brought to bear on where they are most required and can have the most widespread and immediate effect. In this context, I agree that federal financial assistance cannot be a blank check to employers but must be focused on maintaining widespread employment and related paychecks and benefits, supplemented where necessary with generous and flexible unemployment and other benefits for those that cannot remain fully employed.

In applying these principles to my home state of Hawai‘i, I must highlight our travel and tourism industry which is far and away our main economic and employment generator. Over 20 percent of Hawaii’s total economy is driven directly by tourism, with visitor spending worth \$17.8 billion to Hawaii’s economy in 2019.

According to the American Hotel and Lodging Association, impacts of COVID-19 could eventually cost 45,500 lost tourism-related jobs in Hawai‘i alone, and I believe that may well be conservative. The dramatic decline in tourism hurts many groups involved in supporting Hawaii’s tourism industry, including airlines, hotel and lodging, restaurants, hospitality and other small businesses on the periphery of tourism, including the workers and employees who depend on this industry to make a living.

These various tourism-related industries include:

- ***Hospitality (restaurants, bars, entertainment/attractions, etc.)*** – The hospitality industry provides food, drinks and entertainment for Hawai‘i residents and visitors. This industry currently provides over 85,000 jobs in Hawai‘i and provided over \$5.6 billion in restaurant sales alone in 2018. The vast majority of these businesses are small businesses and some are non-profit entities who will be unable to withstand the COVID-19 pandemic without government aid. Due to government-imposed and recommended social distancing, these businesses are being closed or extremely limited in the services they can provide. I respectfully ask you to ensure that hospitality businesses and non-profits have access to fast, flexible capital as they face a truly dire situation.
- ***Hotels*** – Hawaii’s hotels provide jobs to over 42,600 employees, with over \$4 billion in direct wages and salaries and some \$14 billion to Hawai‘i in direct economic impact. While hotel occupancy rates in Honolulu generally hover in the mid-eighty percent range, in the past few weeks, almost all hotels have dived well below fifty percent occupancy. Occupancy rates continue to decline to ten percent in many cases and I fully expect widespread hotel closures. To put this crisis in perspective, Hawai‘i hotels were typically at a sixty percent occupancy rate during the 2008 recession. Please assist us in ensuring that hotels and their workers are able to weather this crisis and continue to support Hawaii’s economy in the future.
- ***Airlines*** – In Hawai‘i, commercial passenger aviation is the lifeline between islands and to the rest of the world, playing a vital role for our tourism industry. To emphasize this point, consider that we do not have the alternative of surface transportation and marine transportation is almost exclusively slower-moving cargo. While tourism is rightfully being discouraged, and in some cases stopped, due to the pandemic, we must ensure that the airlines can survive not only to preserve our lifeline to the world but to support our future recovery. The Federal Aviation Administration reports that this sector provides over \$14.4 billion in economic impacts to Hawai‘i. I support providing full aid for the airlines and their workers to ensure our commercial aviation system will continue to connect Hawai‘i to the world.

- **Agriculture** – Our agriculture industry employs over 5,000 workers in Hawai‘i. The production of Hawaii’s top twenty agricultural commodities was worth over \$400 million to Hawaii’s economy. Agriculture accounts for Hawaii’s third largest industry. The industry is made up of mostly small farms, most of which sell products to consumers through farmers’ markets, restaurants, hotels, roadside stands, lei stands and the Farm to School Program, as well as being agri-tourism destinations. Due to COVID-19, all of these buyers have been drastically, if not entirely, reduced. I support full aid to small farms to ensure their survival through this crisis.

I must also fully highlight Hawaii’s small businesses. According to the Small Business Administration, over 99 percent of businesses in Hawai‘i are small businesses, and a majority of Hawai‘i workers, over 270,000, are employed by small businesses. Nearly 5,500 of our small businesses, with close to 100,000 employees, are in the highly exposed and impacted travel and tourism industry in entertainment, food service and/or accommodation sectors, putting them at very high risk during this COVID-19 crisis.

Small businesses are truly the engine of the economy in my home state, and as national small business goes, so also does Hawai‘i small business on a multiplier scale. In the 2008-09 recession, for example, some 4,520 Hawai‘i firms were lost, with all but one small businesses. Today their situation is especially dire; cash reserves are less than a month, with some components like restaurants more like two weeks or less and the clock is already running. What American small business and especially small business needs is immediate, flexible, unrestricted access to cash to survive and keep their employees on some payroll with benefits, and I ask for your assistance to address this critical need.

Thank you very much again for your efforts and for your attention to Hawaii’s needs. I remain fully supportive of our efforts as we all get through this together.

With aloha,



Ed Case  
Hawai‘i-First District