



SUCCESSFUL MEETINGS START HERE

- > Sign-Up for the MN Daily Newsletter
- > Apply for an upcoming Hosted Buyer Program
- > Get a Free Subscription

Search

search sponsored by
SUCCESSFUL MEETINGS UNIVERSITY

- Best Practices
- News
- Media
- Destinations
- Events & Education
- Pinnacle Awards
- Partner Content
- Meeting Jobs
- Facilities

HOME / NEWS / PRODUCTS & SERVICES

Share This | Print | FREE Subscription

Text size: A | A | A

Products and Services

Share | View Comments

Congress Misses Sequestration Deadline, Travel Industry Reacts

By Matt Alderton
March 4, 2013

A series of automatic and indiscriminate federal spending cuts — popularly referred to as “the sequester” — took effect Friday when Congress failed to pass compromise legislation that would cut the U.S. deficit by \$1.2 trillion. The resulting cuts, which will total \$85 billion this fiscal year, will have a devastating impact on travel, tourism and meetings, according to the travel industry, leaders of which have spoken out against sequestration and urged action to reverse it.

“At this point, it is uncertain how ‘sequestration’ will affect travel,” U.S. Travel Association President and CEO Roger Dow said in a statement on Friday. “Although the budget reductions formally take effect today, consequences will begin to register on April 1 as most federal agencies are required to give 30-days’ notice to furlough workers in advance of any widespread staffing cutbacks.”

Although it’s unclear “how” sequestration will affect travel, there is widespread agreement that it will, as the sequester cuts approximately \$600 million from the Federal Aviation Administration (FAA) budget, \$1.27 billion from the Transportation Security Administration (TSA) budget and \$955 million from the Customs and Border Protection (CBP) budget.

“Cuts will have wide ranging affects, particularly relating to the travel industry,” the American Hotel & Lodging Association (AHLA) said in an email to members and industry stakeholders. “Government travel will likely be the first item cut as federal agencies seek to reduce budgets. Hotels can expect to see meetings postponed, travel bookings shortened and government planners delaying contract signings as they await a congressional solution.”

Other likely sequestration consequences include the expected furloughs of TSA and FAA employees — resulting in long airport security lines and numerous flight cancellations and delays — and the closure of national parks, including national monuments and museums, many of which host groups for meetings and tours.

“Even the potential for significant disruptions in air travel is seriously disruptive to businesses,” says Global Business Travel Association (GBTA) Executive Director and COO Michael W. McCormick. “Threatened reductions in air traffic controllers, customs clearance officers and TSA officials staffing airport checkpoints risk long lines, system slow-downs and general delays. This is bad news for the millions of business travelers each month — people working to secure new business opportunities, maintain existing partnerships, increase profits for their companies and grow overall employment.”

The sequester originally was passed as part of the debt ceiling compromise reached by Congress in 2011. Its goal was to pressure lawmakers into reaching a more responsible deficit-reduction deal in advance of the sequestration deadline. Having missed that deadline twice — the original deadline of Jan. 1 was delayed to March 1 as part of the fiscal cliff negotiations — federal agencies must begin the process of making cuts while Congress and the White House begin a new round of budget negotiations: A stopgap bill to fund the federal government for another year will expire on March 27; if a new bill isn’t passed by then, the nation faces a possible government shutdown.

Said Dow: “Congress and the Administration ... must reach agreement on funding the federal government for the rest of the year before the current funding resolution expires on March 27. We are hoping they will resolve the budget impasse before the end of the month.”

For a recap of last week’s top stories, check out MeetingNews Minute:



> Watch More Videos

This page is protected by Copyright laws. Do Not Copy

Share This | Print | FREE Subscription

Text size: A | A | A

Comments

ALSO ON SUCCESSFULMEETINGS.COM

Conference News - Event Management Compaines - FAA: ... 2 comments

Successful Meetings Blog | Celebrate Cinco de Mayo 1 comment

Conference News - Presentation Solutions - White Paper ... 1 comment

Destinations - Meetings East - Jimmy Buffet's 'Margaritaville' ... 1 comment

AROUND THE WEB

Obama Won't Finish Term Without Bottom Dropping Out Money Morning

Best Sex Ever? Follow These 20 Tips Lifescript

Miley Cyrus' Itty Bitty Workout Outfits Zimbo

Sex Symbols: 10 Guys Who Drive Women Crazy MyDailyMoment

What's this?

0 comments

★ 0

Leave a message...

Best Community Share Settings

No one has commented yet.

Comment feed | Subscribe via email

DISQUS



More Articles

CityPASS Offers Discounts for Meetings Groups Throughout U.S.

IMEX Frankfurt Wraps

David Williams Named Global Meetings Executive of the Year

PCMA Forms Global Partnership with IAPCO

IMEX in Frankfurt Off to Strong Start with More, Expanded Booths

PCMA Announces AIBTM Education Program



FREE NEWSLETTER | SUBSCRIBE

Successful Meetings' How-To Tip of the Day

Down to the Wire

Successful Meetings Top 10 Newsletter

Meeting News

Enter email address

Sign Up

Click here for our Terms and Privacy Policy.



Facebook | Twitter | RSS | Stay Connected to SM

SUCCESSFUL MEETINGS

FACILITIES SEARCH

GET DETAILED INFORMATION ON
50K HOTELS & FACILITIES IN
14K CITIES WORLDWIDE
900+ CONVENTION CENTERS
700+ CVBS
& SUBMIT YOUR RFPS

click here



SuccessfulMeetings.com

- Best Practices
- News
- Destinations
- Events
- Webcasts
- About Us
- Contact Us
- Privacy
- Terms
- Newsletter Profile

- Editorial Calendar
- Subscribe
- Advertise

Northstar Travel Media Sites

- TravelAge West
- Travel Weekly
- travel42
- Hotel & Travel Index
- Official Hotel Guide
- Official Cruise Guide
- The Beat
- PhoCusWright
- Star Service Online
- Business Travel Planner
- Intelliguide
- Incentive
- Meetings & Conventions
- MeetingNews
- Business Travel News



Copyright ©2013 by Northstar Travel Media LLC. All Rights Reserved. 100 Lighting Way, Secaucus, NJ 07094-3626 USA | Telephone: (201) 902-2000

www.buysafemedia.com