

U.S. TRAVEL ASSOCIATION®

The U.S. Travel Association's mission is to increase travel to and within the United States. We are concerned that the Credit Card Competition Act (CCCA) of 2023 could unintentionally impair popular travel rewards programs for consumers and reduce travel. This real-time threat comes as travel continues to recover from pandemic limitations that devastated the industry. In addition to evaluating the CCCA's impacts on interchange fees, **we strongly encourage Members of Congress to consider the potential unintended consequences of the CCCA on the traveling public and the broader travel industry.**

FACT: Credit card rewards generate significant travel and spending.

Each year, approximately 12% of flights are booked by consumers using credit card points. According to an analysis by Airlines for America and Tourism Economics, credit card rewards provide the following:

- **15 million air trips** are booked annually with credit card rewards.
- **Over 30 million U.S. households** have airline rewards credit cards.
- **84% of credit cards** offer rewards, which can be redeemed for travel.
- **Nearly \$44 billion in total spending** is generated for travel businesses by credit card rewards travelers, including:
 - **\$14 billion in spending** on public and auto transportation.
 - **\$10 billion in spending** on food services businesses.
 - **\$4 billion in spending** on recreation and amusement businesses.
 - **\$4 billion in spending** on retail businesses.

The CCCA could devalue or reduce credit card rewards programs.

Credit card issuers partner with their primary network to create rewards programs that encourage card loyalty and usage. If the CCCA is enacted and credit card issuers are forced to offer a second network on their cards, the relationships and revenue streams that funds existing rewards programs may be upended. This could devalue the rewards offered to consumers or reduce the incentive for card issuers to offer rewards programs.

Potential Consequences are Significant

Credit card rewards programs empower families across income levels to travel and save money. Importantly, infrequent travelers could be especially impacted if their ability to earn travel rewards is limited to actual travel. If credit card rewards programs are reduced or devalued, it could prevent millions of Americans, particularly in low-to-middle income brackets, from being able to afford travel experiences.

Only a 10% decrease in booked travel via credit card rewards – a conservative estimate – would mean:

- **1.5 million fewer trips** annually.
- **\$4.3 billion in lost economic activity** for local travel businesses.
- **Without revenue from affinity cards, many travel companies would be unprofitable, and would be compelled to increase prices.**
- **The hundreds of thousands of US jobs and tens of billions in economic activity that rely on rewards programs could be severely impacted.**

We urge Congress to consider the unintended consequences of the CCCA.

The travel industry suffered immense economic harm in recent years and is still recovering:

- Business travel spending in 2023 is forecast to be 17% below 2019 levels.
- International inbound travel spending in 2023 is forecast to be 27% below 2019 levels.
- Leisure travel spending has flatlined compared to 2022.

With the travel industry still recovering from the pandemic, we strongly encourage Members of Congress to consider the potential unintended consequences of the Credit Card Competition Act on the traveling public and the broader travel industry.

NOTE: Please contact [Tori Barnes](#), [Erik Hansen](#), or [Andrew Newhart](#) for additional information about U.S. Travel's concerns.