

August 5, 2019

Senate Standing Committee on Appropriations
Attn: Chairman Portantino
State Capitol, Room 2206
Sacramento, CA 95814

Dear Chairman Portantino,

I am writing on behalf of the more than 26,000 travel advisor members of Cruise Lines International Association (CLIA) to express our concerns with AB5, "The Opportunity to Work Act," and the unintended consequences that the legislation would have on California travel agencies and independent travel advisors. Specifically, our concern is that AB5 would restrict the opportunity to work for many independent travel advisors within the independent contractor (IC) business model that has allowed them to compete with larger travel intermediaries and provide substantial benefits for consumers, independent travel advisors, and travel agencies.

Established in 1975, Cruise Lines International Association (CLIA) is the world's largest cruise industry trade association, providing a unified voice and leading authority of the global cruise community. CLIA supports policies and practices that foster a safe, secure, healthy and sustainable cruise ship environment and is dedicated to promoting the cruise travel experience. In addition to tens of thousands of travel agent and travel agency members, CLIA represents more than 50 ocean-going and specialty cruise lines, 10,000 large travel agencies, and 340 businesses that partner with the cruise community on products and services.

In order to be competitive with larger travel intermediaries, independent travel advisors often aggregate their sales opportunities with other individual travel agents and then contract for services with large host travel agencies. This allows travel advisors working as independent businesspeople to earn substantially more compensation compared to W-2 employees while providing a more catered travel package. As written, AB5 would result in host travel agencies discontinuing the services they provide to independent travel advisors, resulting in a potentially substantial loss of independent travel advisors in California if the IC business model is no longer available to them. It would also result in fewer options in the marketplace for consumers seeking travel planning services.

Again, we do not believe that travel advisors are in any way the focus of the underlying objectives of AB5, and we request a simple amendment to the legislation which would clarify that travel advisors are included in the exemption for businesspeople engaged in direct sales. Specifically, we would request that you include language in AB5 that would add travel advisors

to the list of occupations whose employment relationships are to be governed by the test adopted by the California Supreme Court in the case of S.G. Borello & Sons, Inc. v. Department of Industrial Relations (1989) 48 Cal. 3d 341.

Thank you for your consideration of the above recommendations, and we appreciate your support of California's travel advisors.

Sincerely,

A handwritten signature in cursive script that reads "Kelly Craighead". The signature is written in black ink on a light-colored background.

Kelly Craighead
President & CEO