August 6, 2019

The Honorable Lorena Gonzalez
Room 2114
State Capitol
Sacramento, California 95814

Dear Assemblywoman Gonzalez,

I am writing on behalf Carnival Corporation, the world’s largest travel leisure company, to express support for the recommended amendments to AB5, “The Opportunity to Work Act,” as provided by the California Coalition of Travel Organizers and the California Chamber of Commerce.

Carnival Corporation is comprised of nine cruise brands, including Princess Cruises which is headquartered in Santa Clarita. Carnival is the largest cruise operator in California and we have ships homeported at four California ports. We are pleased to continue our growth with the arrival of Carnival Cruise Line’s newest ship, Carnival Panorama, arriving at the Port of Long Beach in December 2019.

We appreciate your efforts to codify the Dynamex decision and to steer the intent toward fair compensation. However, as currently written AB5 would have unintended consequences for independent travel agents in California. Travel agents are critical to our business; the majority of our cruises are sold by travel agents, many of whom are independent contractors.

In order to be competitive with larger travel intermediaries, individual travel agents often aggregate their sales opportunities with other individual travel agents and contract for services with host agencies. AB5 could have the unintended consequence of host agencies deciding to discontinue the services they provide to independent travel agents. If that were to occur, there would be a loss of independent travel agents in California, and the general public would have fewer options in the marketplace for their travel needs.
In fact, a recent poll by Travel Central found more than half of California’s independent travel contractors would leave the industry if AB 5 passes as written.

Carnival supports the recommendations that AB5 be amended to exempt independent travel agents or to include the following:

• Broader exemption for professionals (including travel sales)
• Broader exemption for individuals who, like direct sellers, prefer to control their own schedule
• Business-to-business exemption
• Ability to subcontract for short-term projects

Thank you for your consideration of the above recommendations. We urge you to make these changes to avoid disastrous effects on California’s independent travel contractors.

Sincerely,

Arnold Donald
President & Chief Executive Officer