

**WHERE THE JOBS ARE: PROMOTING TOURISM
TO AMERICA**

HEARING
BEFORE THE
SUBCOMMITTEE ON COMMERCE, MANUFACTURING,
AND TRADE
OF THE
COMMITTEE ON ENERGY AND
COMMERCE
HOUSE OF REPRESENTATIVES

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WHERE THE JOBS ARE: PROMOTING TOURISM TO AMERICA

WEDNESDAY, MAY 16, 2012

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON COMMERCE, MANUFACTURING AND
TRADE,
COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC.

The subcommittee met, pursuant to call, at 10:22 a.m., in room 2322, Rayburn House Office Building, Hon. Mary Bono Mack (chairwoman of the subcommittee) presiding.

Members present: Representatives Bono Mack, Blackburn, Harper, Lance, Guthrie, Olson, Pompeo, Kinzinger, Butterfield, Gonzalez, Schakowsky, Sarbanes, and Waxman (ex officio).

Staff present: Paige Anderson, Commerce, Manufacturing, and Trade Coordinator; Charlotte Baker, Press Secretary; Kirby Howard, Legislative Clerk; Brian McCullough, Senior Professional Staff Member, Commerce, Manufacturing, and Trade; Gib Mullan, Chief Counsel, Commerce, Manufacturing, and Trade; Andrew Powaleny, Deputy Press Secretary; Sam Spector, Counsel, Oversight; Shannon Weinberg, Counsel, Commerce, Manufacturing, and Trade; Michelle Ash, Democratic Chief Counsel, Commerce, Manufacturing, and Trade; Felipe Mendoza, Democratic Counsel; and Will Wallace, Democratic Policy Analyst.

OPENING STATEMENT OF HON. MARY BONO MACK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mrs. BONO MACK. The subcommittee will now come to order. Good morning.

When it comes to jobs and the economy, tourism is a common thread that weaves its way through all 50 States. The leisure and hospitality sector is now the fifth largest employer in the United States. As a subcommittee what can we do to promote growth in this critically important industry? I am reminded of something St. Augustine once said: The world is a book, and those who do not travel read only one page.

The chair now recognizes herself for an opening statement.

Rebounding from both a prolonged recession and the demoralizing 9/11 terrorist attacks on our Nation, tourism is once again a growth industry in America. Clearly, sustaining that growth as well as creating long-term stability in the tourism marketplace are keys to creating tens of thousands of new jobs across the United States. The President's Task Force on Travel and Competitiveness

has set a lofty goal of attracting 100 million international visitors who spend \$250 billion annually by the end of 2021. Can we accomplish that goal? Well, as chairman of the subcommittee, here is my answer: Let us roll up our sleeves and get to work.

Today tourism is among the top 3 employers in 29 States, and it is the number 1 industry in my district, which includes Palm Springs, Palm Desert, Coachella, and the entire Coachella Valley.

Last year tourism nationwide generated \$1.2 trillion in economic activity and supported nearly 8 million jobs. But here is what is really encouraging: In 2011, travel and tourism in America grew by 3-1/2 percent, more than twice the rate of growth for the entire economy. And there is more good news. The U.S. has set records for international visits in 4 of the last 5 years. Today more money is spent on tourism in the U.S. than in any other country around the world.

So how do we sustain that growth and create even more American jobs? One important way is to maximize the effectiveness of the Travel Promotion Act, which Congress approved in 2010 with bipartisan support. The act created the nonprofit Corporation for Travel Promotion, or CTP, with specific duties intended to increase international travel to the U.S. These duties include providing information to foreign travelers, such as U.S. entry requirements, fees and required documentation; identifying and correcting misperceptions regarding U.S. entry policies; maximizing economic and diplomatic benefits of travel to the U.S. through advertising, outreach and trade shows; ensuring that international travel benefits all States; and identifying strategies to promote travel to rural and urban areas equally; and finally, placing a priority on countries whose citizens are most likely to travel to the U.S.

The CTP is funded through a transfer of fees collected from international travelers who access the Electronic System for Travel Authorization system for visitors under the Visa Waiver Program. The fee is currently set at \$14, of which \$4 is dedicated to maintaining the ESTA system, and the remaining \$10 is directed to the Treasury to be held for CTP.

The Secretary of the Treasury may transfer up to \$100 million per year of these funds to the CTP, but first the CTP must raise matching funds through contributions of industry members. The Treasury Secretary's authority to collect these fees will sunset on September 30th of 2015. Should these fees be renewed in the future? Should they be increased? How effective has CTP been in promoting tourism? These are all critically important questions which we will have an opportunity to ask today.

Among those testifying at this hearing is James Evans, chief executive officer for the Corporation for Travel Promotion, known as Brand USA. I am also anxious to hear the thoughts of our administration witness, the Honorable Nicole Lamb-Hale, who serves as Assistant Secretary for Manufacturing and Services at the International Trade Administration. The Department of Commerce through ITA is responsible for strengthening U.S. competitiveness, promoting trade and investment, and enforcing trade laws and agreements.

Here is the challenge: If we are going to achieve the administration's tourism goals within the next decade, both ITA and CTP will

have to step up their games in the years ahead. While the numbers of the visitors to the U.S. has grown impressively, increasing from 41 million in 2003 to 62.3 million in 2011, how do we get to 100 million visitors by 2021? What could hold back that growth, and is there a plan B?

As we found out all too painfully during the recent recession, the tourism industry tends to suffer when times are tough. We witnessed that up front and personal in the Greater Palm Springs area when many businesses were forced to close or lay off workers. But we can mute that negative economic impact in the future—but can we, excuse me, mute that negative economic impact in the future by substantially increasing international travel to the U.S.?

As I said earlier, given the importance of tourism to the U.S. economy, and given the promise of creating tens of thousands of new American jobs, it is our job to make certain that we have a sound strategy and forward-looking policies in place which will positively promote the U.S. around the world, provide international travelers with a unique experience, and leave them with lasting treasured memories of their trip to the U.S. After all, there is no better travel promotion in the world than having a friend plug their visit to another friend.

And on that note don't forget that the Palm Springs area is a fabulous place to visit anytime during the year, and the welcome sign is always out.

[The prepared statement of Mrs. Bono Mack follows:]

**Statement of the Honorable Mary Bono Mack
Subcommittee on Commerce, Manufacturing, and Trade
Hearing on “Where the Jobs Are: Promoting Tourism to America”
May 16, 2012**

(As Prepared for Delivery)

Rebounding from both a prolonged recession and the demoralizing 9/11 terrorist attacks on our nation, tourism is once again a growth industry in America.

Clearly, sustaining that growth, as well as creating long-term stability in the tourism marketplace, are keys to creating tens of thousands of new jobs across the United States.

The President’s Task Force on Travel and Competitiveness has set a lofty goal of attracting 100 million international visitors, who will spend \$250 billion annually, by the end of 2021. Can we accomplish that goal? Well, as chairman of this subcommittee, here’s my answer – let’s roll up our sleeves and get to work.

Today, tourism is among the top three employers in 29 states. And it’s the #1 industry in my district, which includes Palm Springs and the Coachella Valley.

Last year, tourism nationwide generated \$1.2 trillion in economic activity and supported nearly 8 million jobs. But here’s what’s really encouraging: In 2011, travel and tourism in America grew by 3 ½ % -- more than twice the rate of growth for the entire economy.

And there’s more good news. The United States has set records for international visits in four of the last five years. Today, more money is spent on tourism in the U.S. than in any other country around the world. So how do we sustain that growth and create even more American jobs?

One important way is to maximize the effectiveness of the Travel Promotion Act, which Congress approved in 2010 with bipartisan support. The Act created the non-profit Corporation for Travel Promotion, or CTP, with specific duties intended to increase international travel to the U.S.

These duties include:

- Providing information to foreign travelers, such as U.S. entry requirements, fees, and required documentation.
- Identifying and correcting misperceptions regarding U.S. entry policies.
- Maximizing economic and diplomatic benefits of travel to the U.S. through advertising, outreach, and trade shows.

- Ensuring that international travel benefits all states and identifying strategies to promote travel to rural and urban areas equally.
- And, finally, placing a priority on countries whose citizens are most likely to travel to the U.S.

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As I said earlier, given the importance of tourism to the U.S. economy – and given the promise of creating tens of thousands of new American jobs – it's our job to make certain that we have a sound strategy and forward-looking policies in place, which will positively promote the United States around the world, provide international travelers with a unique experience and leave them with lasting, treasured memories of their trip to the U.S.

After all, there's no better travel promotion in the world than having a friend "plug" their visit to another friend.

And on that note, don't forget: The Palm Springs area is a fabulous place to visit anytime during the year. The welcome sign is always out!

Mrs. BONO MACK. With that, the gentleman from North Carolina, Mr. Butterfield, the ranking member of the Subcommittee on Commerce, Manufacturing and Trade, is now recognized for 5 minutes for his opening statement.

OPENING STATEMENT OF HON. G.K. BUTTERFIELD, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH CAROLINA

Mr. BUTTERFIELD. Thank you, Madam Chair. I want to thank you for holding today's hearing on this very important topic of tourism and how we can work together to promote tourism here in our great country. And a special welcome to my friend, the gentlelady from Hawaii. Thank you very much for coming and spending this time with us today.

The United States is second only to France in the number of annual international visitors it welcomes each year. With all due respect to that country in Europe that we call France, it needs to be our goal to move our country into the top spot, and we are moving in the right direction.

In 1996, Congress directed the Department of Commerce to create what would become the Office of Travel and Tourism Industries in the International Trade Administration. The goal of that office is to enhance the international competitiveness of the U.S. Travel and tourism industry and increase its exports, thereby creating U.S. employment and economic growth.

For the last 6 years, OTTI has conducted extensive research and has offered policy suggestions on ways to increase international travel. I am pleased to see Nicole Lamb-Hale, the Assistant Secretary for Manufacturing and Services, here today, and I look forward to hearing her testimony.

What does tourism mean in real terms? It means jobs, and increased tax revenues, and cultural enrichment, among many other things. Boosting international tourism will create new jobs and spur economic activities that cannot be outsourced. It takes just 35 new international travelers to support 1 new U.S. job. Each international visitor to the U.S. will spend about \$4,000 while here. Considering that we welcomed over 62 million international travelers to the United States last year alone, spending by international travelers can be a boon for local communities and small business around the country.

Today in my home State of North Carolina, the State government is hosting North Carolina Tourism Day, where industry leaders and State government officials and everyday citizens meet with legislators and policymakers to learn ways to make the most of what our State has to offer. And so the great State of California has a lot to offer, and North Carolina on the east coast does as well.

North Carolina visitors spend over \$17 billion annually, and are responsible for supporting over 200,000 local jobs. I am particularly thankful that Dr. Pat Long from East Carolina University Center for Sustainable Tourism is here. I am interested to hear his views on how adopting sustainable tourism policies can reduce costs to industry, help maximize profits, and drive increases in international tourism.

It is clear that every sector of the economy benefits from increases in tourism, and I stand ready to work with my colleagues and you, Madam Chairman, on legislative initiatives that will help promote international tourism and create jobs.

I will also note that there is something we can do that doesn't cost a thing. It is something that we do very well in my home State, and it is called just being nice, and greeting people with a smile when they come through the door, being polite, saying thank you and you are welcome. If we can train the airlines and TSA and USCIS to employ the Golden Rule when interacting with international visitors, we can go a long way in breaking down barriers to international travel.

Did you write that?

With that said, I would like to thank our witnesses for being here today and yield the remainder of my time—I will do that later on, Ms. Schakowsky. We are going to hold back on that. We will yield back at this time. Thank you.

Mrs. BONO MACK. Thank you, Mr. Butterfield.

Ms. SCHAKOWSKY. Excuse me, did you—

Mrs. BONO MACK. I thought he yielded back.

Mr. BUTTERFIELD. I was told that if I didn't—let me reclaim my time if I can. I was told that if I had less than 2 minutes, I would be yielding back. How much time did I have left? It was a minute 30.

Would you like that time, Mr. Waxman?

Mr. WAXMAN. No, I thought you would give—

Mr. BUTTERFIELD. I was told less than 2 minutes to—

Ms. SCHAKOWSKY. I will take it.

Mr. BUTTERFIELD. With unanimous consent, I ask permission to yield.

Mrs. BONO MACK. No objection. The gentlelady is recognized.

Mr. BUTTERFIELD. Thank you.

Ms. SCHAKOWSKY. Thank you.

OPENING STATEMENT OF HON. JANICE D. SCHAKOWSKY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

In general, tourism promotion is a bipartisan issue. We appreciate it. In Chicago we have the seventh most significant port of entry for international travelers, 1.2 million visitors starting their U.S. trips there. And we are going to discuss an important initiative of the Corporation for Travel Promotion, now called Brand USA, which was a bipartisan creation, but we can't pretend that both parties are committed to creating an environment that is welcoming to visitors.

Our witnesses are going to highlight the need for a fast and efficient visa system—I know that there are many countries that we would like as more travelers. I was just in Brazil; they would love that. Poland, important for Chicago—and a streamlined customs process at ports of entry; and efficient transportation infrastructure that can handle millions of visitors a year.

The majority's budget appropriations bills would not invest in any of these priorities. Instead they would make severe cuts in them. They are pushing for cuts to the State Department budget,

infrastructure spending, airports, and even air traffic control. How will foreign visitors get here if there aren't sufficient air traffic controllers on the job to help their planes land safely?

The travel and tourism sector is a perfect example how the Federal Government's contributions can build a solid base on which the private sector can thrive and together create thousands or millions of jobs, but cutting the vital public side of this coin, I believe, is misguided and harmful to our economy. I hope that we could all agree on things that in many more ways will promote tourism in our country, and I yield back. I yield back to Mr. Butterfield.

Mr. BUTTERFIELD. Thank you. I reclaim my time and yield back the balance.

Mrs. BONO MACK. Thank you.

The chair now recognizes Mrs. Blackburn of Tennessee.

OPENING STATEMENT OF HON. MARSHA BLACKBURN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TENNESSEE

Mrs. BLACKBURN. Thank you, Madam Chairman.

We are all talking about what we think makes our area of the country uniquely wonderful, and we do like to promote that. I think what concerns us is what we have seen come from this administration in nontraditional and nonsensical policies. And one of our greatest promoters of U.S. Tourism, Steve Wynn, had this to say, and I am quoting: "This administration is the greatest wet blanket to business and progress in job creation in my lifetime," end quote.

And here is an example. Just recently DOJ levied a new mandate on the hospitality industry requiring each pool and hot tub to come equipped with a pool lift. Each of these new lifts costs upwards of \$6,000. This new mandate is leaving many hotel owners with the decision to either pave over their pools, which may make their hotel less competitive, or spend tens of thousands of dollars to comply, funds which could have been better spent on hiring new employees or competing to host tourists and conventions. Furthermore, the traveling public is facing an avalanche of travel barriers due to ever-rising gas prices and the aggressive overreach of the TSA at our Nation's airports.

Last year the U.S. Travel Association asked air travelers if they were likely to take more trips next year by commercial airline after being made a way of the TSA's new screening initiatives. Only 49 percent said that they were very or somewhat likely to fly more.

If we don't want to become the world's leading exporter of tourism, we need to stop shooting ourselves in the foot with steel-plated government policies that leave us less competitive and less secure. It is quite obvious that we need to scale back the Federal Government's heavy-handed overreach that is negatively impacting tourism in all of our districts. We need to be looking at ways to incentivize tourism and travel, and certainly in Tennessee we want you to come see the Great Smoky Mountains, the Country Music Hall of Fame, Graceland, Shiloh battlefield. We want you to come to the Grand Ole Opry, and then go to downtown Franklin, Leipers Fork and be sure to spend plenty of money.

So we welcome you, and I yield back.

Mrs. BONO MACK. I thank the gentlelady.
And the chair recognizes Mr. Waxman for 5 minutes.

OPENING STATEMENT OF HON. HENRY A. WAXMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. WAXMAN. Thank you very much, Madam Chair, for holding this hearing. International tourism is a proven engine of economic growth in our country and a significant contributor to our national economic recovery.

This shouldn't be a partisan issue, but we have almost had no hearings in the last year and a half where the Republicans have not turned it into a partisan issue. The comment about the regulations for swimming pools was to comply with the Americans with Disabilities Acts. I think Steve Wynn should care a lot about that, because he is a man who is suffering from disabilities, and he would probably benefit because of his lack of sight to have such a lift in the swimming pools. I don't think hotels are paving over their swimming pools because they have a regulation to protect the disabled. We even want disabled people to come to the United States, and we want to stay to hello to them, and welcome them here, and have them spend their money. It is just as good as anybody else's.

According to the Department of Commerce, tourism spending surged 8 percent last year to over a trillion dollars. It supported 7.6 million jobs. This is one of our Nation's top exports, one of the few export industries guaranteed to create jobs that won't move offshore.

Foreign visitors are putting Americans back to work and giving the world a window into our natural and cultural treasures. Luckily we have two people here from California that are going to advance our cause, because we are the gateway for tourism and hospitality in the Pacific area.

The Chamber of Commerce estimates that every 1 percent increase in international visitors to Los Angeles infuses local business with a \$43 million increase in direct spending and an estimated \$88 million increase in economic impact. So the question is, How can we get more people to come?

The President, we only have one at a time, this one, laid out a robust goal to attract 100 million international visitors annually within 10 years, a goal that I think both parties ought to support. The National Travel and Tourism Strategy unveiled last week is a blueprint to make it achievable with concerted coordination between government and industry.

Some of the opportunities to attract more foreign visitors can be found in the Visa Waiver Program, which enables visitors from eligible countries to tour the United States for up to 90 days without a visa. After South Korea became eligible for this program in 2008, the number of Korean visitors to the United States increased 30 percent, an estimate to indicate that the number could increase by another 55 percent by 2016. Other solutions will require target improvements to speed the resolution of visa backlogs in countries not eligible for the Visa Waiver Program.

Well, I would be remiss if I didn't talk about why tourists come to my district. In Beverly Hills we have Rodeo Drive; in Hollywood the Grauman Chinese Theater and the Hollywood Walk of Fame, the beaches of Santa Monica and all the way down the coast. We have lesser known, but wonderful tourism opportunities. One example is the Conejo Valley, where internationally renowned tourists—Tour de France teams have been training along the world-class hiking/biking trails of Santa Monica Mountains National Recreation Centers.

We have a lot of wonderful things to see, and there are times during the year when Palm Springs gets a little warm, so while they spend maybe a little less time in Palm Springs, they can come to the rest of California. But go to Palm Springs, as well, because we just have so much for people to see in the State of California. And I think that we ought to approach this on a bipartisan way to encourage tourism and support the efforts of the President, who is trying to do the same thing.

I welcome our distinguished witness. She certainly has a place with a lot to offer for tourists. I wish I could find time to get back to Hawaii, but I spend all my time in California, so I am not deprived of wonderful tourist attractions.

I yield back the balance of my time.

Mrs. BONO MACK. I thank the gentleman from Beverly Hills, and I, again, welcome him any time to Palm Springs.

But I do at this time turn our attention to our first panelists, and we welcome Representative Hirono of Hawaii to our committee, certainly somebody who understands this issue. And to reiterate to Mr. Waxman, all of us are very interested in bolstering tourism and doing what we can actually to help the President be successful in this goal.

So welcome, Ms. Hirono. We are anxious to hear from you. We will recognize you for 5 minutes at this point.

Just to remind Members, we do not plan on questioning our colleague, so after she gives us her statement, she will be free to go back to her busy day, and we will move on to the second panel.

Ms. Hirono, you are recognized for 5 minutes.

STATEMENT OF THE HON. MAZIE K. HIRONO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF HAWAII

Ms. HIRONO. Thank you very much, and aloha, everyone, chairman Bono Mack and Ranking Member Butterfield, and to all of the committee members.

Mrs. BONO MACK. Excuse me. Make sure your microphone is on and pulled towards you.

Ms. HIRONO. Got it.

Mrs. BONO MACK. Thank you.

Ms. HIRONO. Thank you. You would think I know this, but I am usually on the other side.

Mahalo and aloha to all of you for giving me this opportunity to participate.

Creating good jobs is a national priority, and one of the strongest job-creating sectors in America is the visitor industry. The travel and tourism industry is critically important, of course, to the State of Hawaii, and I would say that travel and industry is probably the

number 1, 2, or 3 economic driver in just about every State in the country, including, of course, Chairwoman Bono Mack's. And, in fact, doing a little bit of research in your State, practically 900,000 people in California have jobs in this industry.

Tourism in Hawaii is our biggest economic driver, accounting for 17.4 percent of the jobs in Hawaii. It also accounts for almost 20 percent of our economy. That is over 145,000 jobs, 12.6 billion in 2011.

Nationally tourism has been one of our Nation's biggest exports for years. In 2011, it supported 7.6 million jobs and generated 3.5 percent of or GDP. That is \$1.2 trillion. The National Travel and Tourism Strategy released last week recognizes the industry's importance to our Nation's economy. It set a goal, as many of you have already articulated, 100 million international visitors by 2021. I applaud Secretaries Bryson and Salazar and all of the task force members for their work on this plan, and I commend President Obama for recognizing and prioritizing travel and tourism as a way to create jobs. The goals set by the President will take our serious effort.

Last year the U.S. welcomed 62 million visitors from abroad. That was a record number. So increasing that number to 100 million in the next 9 years will be a challenge. It is a challenge that I know we can meet in a bipartisan way.

In 2010, Congress passed the Travel Promotion Act, which created the Brand USA, which just recently launched its very first campaign to promote travel to our country. This year we passed legislation to improve our aviation systems and infrastructure. So we are making progress.

I know that administration has worked to tackle visa processing backlogs in places like China. China is a key visitor market both for Hawaii and the United States, the rest of the U.S. Over 54 million Chinese traveled abroad in 2010. Do you know that fewer than 1 million of them came to our country, and Hawaii welcomed some 62,000?

In September of 2011, Hawaii hosted the fifth annual China-U.S. tourism leadership seminar—summit. At the summit Mr. Qiwei Shao, who is China's highest-ranking tourism official, said, quote, "We hope the U.S. can bring more convenient visa procedures and we exchange views on this." He went on to say, "The goal in 2015 is for tourist flows between China and the U.S. to reach 5 million," end quote.

We are totally missing the boat in this growing China market, but we can do something about it and do it quickly. Congress can act to cut red tape and streamline the visa process for visitors from China and other growing markets. That is why I introduced the bipartisan VISIT USA Act with Representative David Dreier. Our bill will make commonsense changes to our visa processes. These changes would expedite visa processing to increase visitors while preserving U.S. security. I want to emphasize that, while preserving U.S. security. They are also focused on high-growth markets like Brazil and India in addition to China.

Briefly, some of the bill's key points are we would want to grant Chinese visitors 5-year rather than the current 1-year multiple-entry visas. We are also conducting interviews by secure video con-

ferencing rather than requiring the Chinese to travel the great distances to the five permanent consulates in that country. And we would want to establish mobile satellite consulates in cities of more than 1 million; increasing or decreasing fees based on seasonal demand in our country; allow for expedited visa reviewing. These commonsense reforms among others included in the bill will help to implement our tourism strategy.

This bill has a bipartisan companion in the Senate and has been endorsed by a broad range of groups from UNITE HERE to the U.S. Chamber of Commerce, to Americans for Tax Reform. And you are going to hear from the U.S. Travel Association, who will be also testifying today.

So boosting our travel and tourism industry will help our economy create jobs. I am glad to have bipartisan cosponsors for our bill, including Representatives Dreier, Berkley, Blumenauer, Farr, Hanabusa and Hultgren. I hope all of you will sign onto this bill and consider pushing us, moving us forward quickly so that we do not continue to miss the vote—miss the boat, I should say—we are not going miss the vote, that is coming up soon—to miss the boat on attracting tourists who want to come here particularly from China.

Just to give you the sense of what kind of impact this would have on Hawaii, we get maybe 62,000 visitors from China. With the kind of changes I have been talking about in this bill, it has been estimated we can welcome 300,000 Chinese visitors to Hawaii. They will spend \$600 million, creating potential for 6,000 jobs in Hawaii.

So I look forward to working with all of you as we go forward in a bipartisan way. Mahalo, aloha.

[The prepared statement of Ms. Hirono follows:]

**Statement of
Congresswoman Mazie K. Hirono
House Energy and Commerce Subcommittee on Commerce, Manufacturing, and Trade
Hearing
“Where the Jobs Are: Promoting Tourism to America”
Wednesday, May 16, 2012**

Chairwoman Bono-Mack, Ranking Member Butterfield, thank you for allowing me to participate in today’s hearing.

Creating good jobs is a national priority. One of the strongest job creating sectors is America’s visitor industry.

The travel and tourism industry is critically important to my home state of Hawaii. It is also important to many other states—including Chairwoman Bono-Mack’s. In fact, nearly 900,000 people in California have jobs in this industry.

Tourism is Hawaii’s biggest economic driver, accounting for 17.4 percent of the jobs in Hawaii. It also accounts for almost 20 percent of our economy. That’s over 145,000 jobs and \$12.6 billion in 2011.

Nationally, tourism has been one of our nation’s biggest exports for years. In 2011, it supported 7.6 million jobs and generated 3.5 percent of our GDP. That’s 1.2 trillion dollars.

The National Travel and Tourism Strategy released last week recognizes the industry’s importance to our nation’s economy. It sets a bold goal of attracting 100 million international visitors by 2021.

I applaud Secretaries’ Bryson and Salazar, and all the Task Force members, for their work on this plan. And I commend President Obama for recognizing—and prioritizing—travel and tourism as a way to create jobs. The goal set by the President will take a serious effort.

Last year, the U.S. welcomed 62 million visitors from abroad. This was a record number. So increasing that number to 100 million in the next nine years will be a challenge. It’s a challenge I hope we can meet in a bipartisan way.

In 2010 Congress passed the Travel Promotion Act. That law created BrandUSA, which just launched its first campaign to promote America abroad.

Last year we passed the Federal Aviation Administration Reauthorization. This law makes a four year investment in our aviation systems, especially NextGen. The Tourism Strategy calls for these investments in a 21st century air traffic control system.

So we are making progress.

I know the Administration has also worked to tackle visa processing backlogs. For example, they have increased staffing in places like China and Brazil. China is a key market—both for Hawaii and the U.S.

Over 54 million Chinese travelled abroad in 2010. Last year, less than 1 million of them came to the U.S and only 62,000 came to Hawaii.

In September of 2011, Hawaii hosted the 5th annual China-U.S. Tourism Leadership Summit. At the Summit, Mr. Qiwei Shao, China's highest ranking tourism official said:

“We hope that the U.S. can bring more convenient visa procedures, and we exchanged views on this.”

He went on to say, “The goal in 2015 is for tourist flows between China and the U.S. to reach 5 million.”

We are missing the boat on this growing China market, but we can do something about it quickly. Congress can act to cut red tape and streamline the visa process for visitors from China and other growing markets.

That's why I introduced the bipartisan VISIT USA Act with Representative David Dreier. Our bill would make common-sense changes to our visa processes. These changes would expedite visa processing to increase visitors while preserving U.S. security. It would also focus on high growth markets like China, Brazil, and India.

Briefly, some of the bills key points are:

- Granting Chinese visitors five year, rather than one year, multiple entry visas
- Conducting interviews by secure videoconference rather than requiring the Chinese to travel great distances to one of only five permanent consulates in their country.

- Establishing mobile satellite consulates in cities of one million or more.
- Increasing or decreasing fees based on seasonal demand.
- Allowing expedited visa reviewing.

These common-sense reforms, among others included in the bill, will help to implement the National Travel and Tourism Strategy.

This bill has a bipartisan companion in the Senate, and has been endorsed by a broad range of groups—From UNITE-HERE to the U.S. Chamber of Commerce to Americans for Tax Reform. And the U.S. Travel Association who we will be hearing from later today.

Boosting our travel and tourism industry will help our economy. And helping our economy should be a bipartisan issue.

I'm glad to have bipartisan cosponsors, including Representatives Dreier, Berkley, Blumenauer, Farr, Hanabusa, and Hultgren. I hope more of my colleagues will consider cosponsoring my bill.

I look forward to working with all of you to advance the National Travel and Tourism Strategy and create more jobs.

Thank you.

Mrs. BONO MACK. Thank you very much for your testimony. We appreciate your being here, and we will certainly take a very close look at joining you on your bill. I appreciate that.

Thank you again, and at this point, rather than asking questions, we will see you later on the floor for the vote.

And we would like to call Secretary Lamb-Hale to be seated for the second panel, take a quick 30-second change.

Mrs. BONO MACK. Good morning. On our second panel we have the Honorable Nicole Lamb-Hale, Assistant Secretary for Manufacturing and Services, International Trade Administration at the U.S. Department of Commerce.

Good morning, Madam Secretary. Thank you for coming back to be with us again today. You will now be recognized for your 5 minutes. As you know, the lights will indicate when you need to begin wrapping up at the 1-minute mark.

So please turn the microphone on, and bring it close to your mouth, and you are now recognized for 5 minutes.

STATEMENT OF NICOLE Y. LAMB-HALE, ASSISTANT SECRETARY FOR MANUFACTURING AND SERVICES, INTERNATIONAL TRADE ADMINISTRATION, DEPARTMENT OF COMMERCE

Ms. LAMB-HALE. Thank you. It is a pleasure to be back. Good morning, Chair Bono Mack, Ranking Member Butterfield, and the members of this subcommittee. Thank you for the opportunity to speak to you today on the National Travel and Tourism Strategy.

The Obama administration and the Department of Commerce clearly recognize travel and tourism's importance to the economy. This industry supports job creation, accounting for \$1.2 trillion in economic activity, and supporting 7.6 million jobs in all States and territories. In 2011, 62 million international visitors came to the United States and spent \$153 billion. These expenditures supported over 1 million jobs.

The United States is highly competitive in the international travel and tourism marketplace. We lead the world in revenues derived from international travelers. However, the world travel market is changing rapidly. Competition has increased. From 2000 to 2010, the U.S. share of spending by international travelers fell from 17 percent to 11 percent, a more than 30 percent decrease in our share of the global market.

Like the United States, other traditional tourism destinations lost share during this same period, while Asian and other emerging destinations dramatically increased their market share. Many of our competitors recognize global travel and tourism growth as an opportunity for increased trade and job creation.

Given this new competitive dynamic, the United States must harness the potential of travel and tourism to grow our economy. To ensure we reach this potential, President Obama issued an Executive Order earlier this year that established a Task Force on Travel and Competitiveness. The task force developed recommendations to promote domestic and international travel to and within our country with the goal of increasing the U.S. share of worldwide travel.

The task force, consisting of Federal agencies whose work impacts the sector, developed the United States National Travel and Tourism Strategy. Industry, congressional Members and other stakeholders provided substantial input. Secretary of Commerce John Bryson and Secretary of the Interior Ken Salazar cochaired the task force. They submitted the strategy to the President and released it to the industry and the public at a meeting of the Congressional Travel and Tourism Caucus just last week.

The goal is simple, yet bold: Increase American jobs by attracting 100 million international visitors, who we estimate will spend \$250 billion annually by the end of 2021. To accomplish this we will promote the United States as never before. This means communicating to the world that we welcome visitors, and providing information about the ease of travel to and within the United States. It means coordinating with the marketing campaign of Brand USA, the non-profit private corporation established by the Travel Promotion Act of 2009. And it means partnering with industry as well as State, local, tribal and territorial governments to build campaigns around activities and iconic places, from the Sequoia National Forest to the San Antonio River Walk to the Outer Banks.

While keeping our Nation's security as the primary focus, the Departments of State and Homeland Security will streamline these applications and entry for legitimate travelers into the country. They will do this through improvements in process, technology, staffing and infrastructure.

The U.S. Government will continue to make strategic investments in the transportation infrastructure to enable safer and more efficient movement between destinations throughout the country. This means supporting the program to upgrade our national Air Traffic Control System and working to promote improvements to our Nation's highways. The administration will strive to provide world-class visitor experiences to inspire repeat visits. This strategy also proposes efforts to help small travel and tourism businesses, including expanding access to capital and helping small businesses gain the confidence to withstand demand volatility.

The Tourism Policy Council, the Federal interagency council chaired by Secretary Bryson, will coordinate Federal policies and programs to implement the strategy. Building on our existing Office of Travel and Tourism Industries, we will create a national travel and tourism office at the Commerce Department to serve as a central driving force within the government, and to provide the day-to-day support needed to implement the national strategy.

We will also work with the travel and tourism industry to collect and analyze data to support smart decision-making in the public and private sectors. We will also develop metrics to measure our progress and analyze results to improve performance.

It is not just government agencies, of course, that promote increased travel and tourism. We are working closely with our private-sector partners as well. A key partner is Brand USA, which launched its U.S. Tourism promotion program last month. Commerce has committed to working with Brand USA to make its campaign successful.

In closing, the implementation of the national strategy and our work with private-sector partners will be crucial in realizing travel

and tourism's potential to create jobs over the next decade. I look forward to continuing to work with Congress to meet the goals set out for us in the Travel Promotion Act and to ensure that the unique public-private partnership it creates delivers on the full promise of this vital industry as a job-creation engine.

Thank you for the opportunity to testify before you today, and I look forward to any questions you may have.

Mrs. BONO MACK. Thank you very much, Madam Secretary.

[The prepared statement of Ms. Lamb-Hale follows:]

**Testimony of
Assistant Secretary of Commerce Nicole Y. Lamb-Hale
before the House Energy and Commerce
Subcommittee on Commerce, Manufacturing, and Trade
“Where the Jobs Are: Promoting Tourism to America”
May 16, 2012**

Good morning, Chairwoman Bono Mack, Ranking Member Butterfield, and members of this Subcommittee. Thank you for the opportunity to speak with you today on the National Travel and Tourism Strategy.

The Importance of Travel and Tourism to Jobs and the Economy

The Obama Administration and the Department of Commerce clearly recognize travel and tourism’s importance to the U.S. economy. This industry supports job creation throughout the United States, accounting for \$1.2 trillion in total economic activity and supporting 7.6 million American jobs in all states and territories.

In 2011, 62 million international visitors came to the United States and spent a record \$153 billion on U.S. travel- and tourism-related goods and services, which are counted as U.S. exports. Tourism exports lowered the trade deficit by \$42.8 billion and supported 1.1 million jobs across the country. Travel and tourism receipts currently account for 25 percent of our total services exports. It is evident that the travel and tourism industry is key to delivering on the Obama Administration’s National Export Initiative to increase exports and support U.S. jobs.

Each year, millions of international tourists visit U.S. public lands and small towns, spending money at local businesses that provide lodging, dining, retail and entertainment. Rural America plays a particularly important role in the national tourism economy by attracting and retaining tourists for longer visits. Through creating and maintaining jobs in rural America, this strategy links to the work of the White House Rural Council, which was established by an Executive Order of President Obama in June 2011, and is dedicated to creating jobs and fostering economic development in Rural America.

The United States is highly competitive in the international travel and tourism marketplace. We lead the world in revenues derived from international travelers – nearly double the level of Spain, our next competitor – and we are second only to France in the number of international visitors.

The world travel market is changing rapidly, however. Competition has increased. From 2000 to 2010, the U.S. share of spending by international travelers fell from 17 percent to 11 percent, a more than 30 percent decrease in our share of the global market. Like the United States, other traditional tourism destinations such as France, Spain, Italy, and Canada lost share during the same period, while Asian and other emerging destinations dramatically increased their market share. Many of our competitors recognize global travel and tourism growth, driven by the growing number of middle class consumers in emerging economies and by the advent of low cost regional travel, as an opportunity for increased trade and job creation.

The National Travel and Tourism Strategy

Given this new competitive dynamic, the United States must harness the potential of travel and tourism in growing our economy. To ensure we reach this potential, President Obama issued Executive Order 13597 on January 19, 2012. This Executive Order established a Task Force on Travel and Competitiveness to develop a set of recommendations to promote domestic and international travel to and within the United States with the goal of increasing the United States' share of worldwide travel.

The Task Force, consisting of federal agencies whose work impacts travel and tourism, developed the *United States National Travel and Tourism Strategy* with substantial input from the industry, Congressional members, and other stakeholders. Secretary of Commerce John Bryson and Secretary of the Interior Ken Salazar, co-chairs of the Task Force, submitted the completed Strategy to the President and, on May 10, released it to the industry and public at a meeting of the Congressional Travel and Tourism Caucus.

Let me describe what we plan to accomplish through the Strategy.

Our goal is simple, yet bold: Increase American jobs by attracting and welcoming 100 million international visitors, who we estimate will spend \$250 billion annually, by the end of 2021. We will also encourage Americans to travel within the United States and its territories to see all that our country has to offer.

Promoting the United States

To accomplish this, we will promote the United States as never before. This extra effort means communicating to the world that the United States welcomes visitors and providing accurate information about the ease of travel to and within the United States. It means coordinating federal promotion efforts with the marketing campaign of Brand USA, the public-private corporation established by the Travel Promotion Act of 2009. It means partnering with the travel and tourism industry through new and existing agreements. And it means partnering with state, local, tribal, and territorial governments to build campaigns around activities and iconic places from the Sequoia National Forest to the San Antonio Riverwalk to the Outer Banks in North Carolina.

Enabling and enhancing travel and tourism to and within the United States

While keeping our nation's security as their primary focus, the Departments of State and Homeland Security will streamline visa applications and entry for legitimate travelers into the country through improvements in process, technology, staffing, and infrastructure. For example, proposals include increasing staffing at the highest priority posts, such as China and Brazil, and streamlining programs for low risk applicants.

The U.S. Government will continue to make strategic investments in transportation infrastructure to enable safer and more efficient movement between destinations throughout the country. This means supporting the program to upgrade our national air traffic control system, entitled NextGen, and working to promote improvements to our nation's highways.

Providing world-class customer service and visitor experience

The Administration will strive to provide world-class customer service and visitor experiences to inspire repeat visits, including fostering a skilled hospitality and tourism industry workforce and using new technologies to address language and information needs. The Strategy also proposes efforts to help small travel and tourism businesses, including expanding access to capital through the Small Business Administration's 5,000 lending partners and providing counseling and mentorship to help small travel and tourism businesses gain the confidence to withstand seasonality and demand volatility.

Coordinating across government

Federal agencies, through the Tourism Policy Council (TPC) which is the interagency coordinating group chaired by Secretary Bryson, will emphasize travel and tourism as a U.S. government priority and coordinate federal policies and programs. We will also create a national travel and tourism office at the Commerce Department to serve as a central driving force within the government and provide the day-to-day support needed to implement the National Strategy.

Conducting research and measuring results

The International Trade Administration at the Department of Commerce will work with the travel and tourism industry to collect and analyze data to support smart decision-making in the public and private sectors. This will include developing public-private partnerships to support government research initiatives, strategic planning, and private sector promotional activities. The TPC will also develop metrics to measure the progress of the National Strategy and analyze results to improve performance.

Implementation of the National Strategy will encourage travelers to choose America as the world's premier tourism destination. It will better facilitate entering into and traveling across the United States and foster greater cooperation with the private sector, which will enable us to create a world-class U.S. travel experience that will encourage visitors to extend their stays and return to see more.

Development and Implementation of the National Strategy

Developing this Strategy was truly an interagency effort and involved an active dialogue with industry and other stakeholders.

Secretaries of Commerce and the Interior, as co-chairs of the Task Force, worked with counterparts from the Departments of State, Homeland Security, Treasury, Agriculture, Labor, and Transportation, as well as the Army Corps of Engineers, the Office of the U.S. Trade Representative, the Export-Import Bank, and the U.S. Small Business Administration. Each agency was actively engaged in the development of the National Strategy from beginning to end.

As I mentioned earlier, the Task Force sought and received a significant amount of stakeholder input into the process, including submissions from state tourism offices, convention and visitor bureaus, small businesses, non-governmental organizations, and industry associations.

In addition, agencies of the Task Force undertook a broad outreach effort to their respective constituencies and stakeholders. For example, in addition to discussions with industry associations, the Department of Commerce engaged the Council on Jobs and Competitiveness, the President's Export Council, and the U.S. Travel and Tourism Advisory Board, which provided a formal letter of recommendations for consideration.

We know now is the time to go to work on this Strategy. I feel confident that the coordinated efforts of the Task Force will carry over to implementation of the National Strategy, which will be overseen by the TPC. Secretary Salazar will work with Secretary Bryson and play an active role on the TPC to ensure successful implementation of the Strategy. In fact, efforts to support the growth of travel and tourism to and within the United States are already underway by the TPC's member agencies, many of whom served on the Task Force.

It is not just government agencies, however, that promote increased travel and tourism. We are working closely with our private sector partners as well. A key partner is the Corporation for Travel Promotion, doing business as Brand USA, which just launched its new U.S. tourism promotion program at the end of April.

James P. Evans, the Chief Executive Officer of Brand USA, will be on your second panel today and undoubtedly will provide you with many of the exciting details of their work. As I mentioned, their promotion program is a new effort, and the Department of Commerce is committed to working with Brand USA to make it a success. Let me briefly describe some of their efforts to give you a sense of how the work of both the U.S. government and Brand USA is needed to reach the goals of the National Strategy.

This month, Brand USA began its promotional efforts in Canada, the United Kingdom and Japan. A second wave of promotional efforts will begin later this year in South Korea and Brazil.

In addition to working with the Department of Commerce, Brand USA also is coordinating messaging in the marketplace with the Departments of State and Homeland Security. Brand USA has established its objectives and marketing plan to guide these efforts. As we collaborate with Brand USA to increase the number of visitors coming to the United States, the U.S. government must also be prepared to welcome these visitors and provide a safe and quality visitor experience, if we are to compete effectively with other nations. Our ability to provide a quality visitor experience has a profound effect on perceptions of the United States as a travel destination.

Conclusion

Whether we are encouraging visitors to come to Disney, Denali National Park, or the Montezuma Castle, there is good reason to make travel and tourism a priority. A recent McKinsey Global Institute study identified the leisure and hospitality sector as the fifth largest employer in the United States and one of six priority sectors likely to drive domestic employment growth over the next 10 years. The hospitality and leisure sector – which includes accommodations, food services, arts, entertainment, and recreation – could add between 2.1 million and 3.3 million jobs during this period. Growth in consumer spending and gains in the U.S. share of global tourism will allow us to reach the upper end of this range, given the travel and tourism industry's significant contribution to the leisure and hospitality sector.

The implementation of the National Strategy and our work with private sector partners will be crucial in realizing travel and tourism's potential to create jobs over the next decade. We are working with speed and intensity to ensure that federal agencies make the necessary improvements, and that Brand USA launches successfully.

I look forward to continuing to work with Congress to meet the goals set out for us in the Travel Promotion Act, and to ensure that the unique public-private partnership it created delivers on the full promise of this vital industry and the unrivaled travel and tourism resources this country has to offer.

Mrs. BONO MACK. You can clearly see from our opening statements that the members of this subcommittee have great pride in their districts. Whether it is Palm Springs, or the beautiful North Carolina, or the fabulous Chicago, Beverly Hills, Tennessee, there is a lot of great pride, and we are all very, very proud of our districts.

It is not too often we get to speak about our national parks in this committee, and I am happy to say that I represent part of Joshua Tree National Park, and I am very honored to do that.

So one of questions that I have is how do the offices within Commerce market U.S. destinations? And do you pick specific attractions or regions? Are there winners and losers?

Ms. LAMB-HALE. There are certainly not winners and losers, Madam Chair. We are working very hard, under the strategy and under the auspices of the Tourism Policy Council, to ensure that the spirit of the Travel Promotion Act, which focuses on lifting all the boats, all of our States, opportunities in travel and tourism. So we do use data and research to figure out the best places to promote the United States. We are working very closely with Brand USA and their strategy to do so, and we are making sure that we market and promote world destinations as well as our urban centers. The idea is to promote the entire United States and to not choose one State over another.

Mrs. BONO MACK. Thank you.

You have said that we need to partner with State and local governments to build these campaigns around activities and iconic places. Who will choose in which projects to invest what criteria should be used? For example, half of my district was asking me a question the other day when I was out there about how do we promote tourism, but they have no infrastructure yet in place at all. Are they going to be disadvantaged compared to the other half of my district, which is very focused and has a great infrastructure in place currently to promote tourism? How will you be picking and choosing there?

Ms. LAMB-HALE. Well, we won't be picking and choosing. What we will be doing is working very hard with all the States that are interested in helping to develop strategies to promote their particular destinations. We will be working very closely with Brand USA in the effort to ensure that we are targeting the right foreign markets to bring visitors, international visitors, into the country and to really build upon the fact that we have great urban centers, but, of course, within a range, a very short range, of distance there are rural destinations that are very important and that can be meaningful for the memories that you talked about.

And so I think that as we work together through the interagency process, and with our State and local partners, and the private sector, we will be able to lift all the boats. There won't be a picking of winners and losers as it relates to our States.

Mrs. BONO MACK. Thank you.

You also testified that the administration will focus on fostering a skilled hospitality industry. Can you describe the administration's vision on this point, and where is the industry currently deficient?

Ms. LAMB-HALE. Well, I wouldn't say that the industry is deficient. I think that there are opportunities for to us work together with the private sector to do the kinds of things that will create a world-class customer service and business experience for the country. So that includes helping to train small businesses, which comprise the largest percentage of our travel and tourism businesses in the U.S., on strategies and tactics to help to improve the visitor experience.

I think has we partner with our private sector partners and with our Travel and Tourism Advisory Board, for instance, we can put together training programs to help small businesses to be successful and welcoming our visitors. We can certainly focus, and I know that DHS has done this, on making sure that the people on the front line at our ports of entry are trained to be, as Congressman Butterfield said, to say thank you, and you are welcome, and be welcoming to travelers.

So I think that, again, as we pull together in the interagency and we work with our private partners, we can ensure that the customer experience and the visitor experience within the U.S. is the best that it can be so that we can be competitive.

Mrs. BONO MACK. Thank you.

And is the Commerce Department concerned solely with the total number of international visitors, or does it also have goals for boosting tourism at the State level, within the—you know, yes.

Ms. LAMB-HALE. We are working very closely with the Department of Interior. We are focused on encouraging our U.S. citizens to explore all that the U.S. has to offer. At the Commerce Department, in particular at the International Trade Administration, we are very focused on international visitation and working with Brand USA in that regard. But as part of the Tourism Policy Council, which includes the Departments of Interior and other departments that touch this industry, we are really looking at ensuring that when U.S. citizens travel, that they consider staying home and looking at all that the U.S. has to offer.

Mrs. BONO MACK. Thank you very much. I yield back my final 10 seconds and recognize Mr. Butterfield for 5 minutes for questioning.

Mr. BUTTERFIELD. Let me thank the chairman.

The data shows that five U.S. States, I believe it is, New York, Florida, California, Nevada and Hawaii, all together account for some 93 percent of all overseas visitor arrivals, and that is good. But I am concerned that the remaining States, the territories and the District of Columbia combined receive such a very small portion of the total. Clearly the authors of the Travel Promotion Act felt the same way, as the statute explicitly directs Corporation for Travel Promotion to, quote, "ensure that international travel benefits all States and the District of Columbia, and to identify opportunities and strategies to promote tourism to rural and urban areas equally, including the areas not traditionally visited by international travelers," end of quote.

One of your main jobs as the primary department overseeing this act is to carry out that duty. How do we help those States that do not attract large numbers of international visitors? Do you believe a unified national marketing strategy like Brand USA, and you

made reference to that, would give a particular boost to these States, and if so, why?

Ms. LAMB-HALE. Thank you for your question.

The Travel Promotion Act, as you did state, does ensure that as we look at promoting the United States. That we not just promote the urban areas, but we also look at promoting rural America. We are working very closely with Brand USA and with our private-sector partners to ensure that that happens. We are really—if you look at our strategy, we are very focused within existing resources on how we can make sure that as we promote the United States, these other opportunities to explore rural America and some of our smaller States are taken into account.

Mr. BUTTERFIELD. But is it true that 93 percent of international travelers go to five States?

Ms. LAMB-HALE. You know, I don't have that information. I can check on that and get back to you. But I would say that as we implement the Travel Promotion Act, and as we implement the strategy working with our private-sector partners, we are very cognizant of the beautiful and iconic destinations that exist around our country. And so our goal is not just to promote, you know, our urban centers, but to look at other opportunities to ensure that when visitors come, they can take into account and take into consideration all of the opportunities that the U.S. provides for travel and tourism.

Mr. BUTTERFIELD. Are regional partnerships more important to these States that are relatively off the beaten path to international visitors?

Ms. LAMB-HALE. I think that regional partnerships are very important, and we are working—if you look at our strategy, we are working at making sure that we include rural America in those discussions and in that approach.

Mr. BUTTERFIELD. All right. They didn't cut on my clock, so I am not going to abuse my time. That is all right, that is all right. I am going to ask one last question, and then I will be done.

In the year 2000, the U.S. share of international arrivals was 7.5 percent of the world's total. By 2011, the U.S. share was down to 6.6. Trade groups, executive departments and congressional committees have cited this decline as a motivating factor for a renewed Federal emphasis on international travel promotion.

Ms. Lamb-Hale, one out of OTTI's main jobs—one of the main jobs is to provide statistical support on travel and tourism to the Department and to the various industries that make up travel and tourism. As we seek to achieve the National Travel and Tourism Strategy's goal of 100 million and \$250 billion in international travel spending by 2021? How do you intend to measure this progress?

Ms. LAMB-HALE. Well, we are certainly working very closely with the private sector to do that. We understand the importance of data and research to the travel and tourism industry, and we are looking for creative ways through public-private partnerships to close any data gaps that there are so that we can make sure that we use public and private resources appropriately in the promotion of the U.S.

Mr. BUTTERFIELD. Thank you. I yield back.

Mrs. BONO MACK. Thank you, Mr. Butterfield.

The chair recognizes Mr. Olson for 5 minutes.

Mr. OLSON. I thank the chair.

And thank you, Secretary Lamb-Hale, for coming today. I greatly appreciate your time and not waste an opportunity to talk about the Lone Star State.

Ms. LAMB-HALE. There you go.

Mr. OLSON. We have a great slogan in Texas about our tourism: Texas, it is like a whole other country.

Ms. LAMB-HALE. Ah.

Mr. OLSON. That comes from our Governor's office. We have got things to be proud of. We have got great diversity. We have got the Piney Woods of east Texas, lots of hiking and lots of fishing up there. We have got the central Texas prairies, the lakes, the water sports that we talked about, get it all out there and doing some tubing down the rivers. We have got the hill country, more tubing down there; the River Walk in San Antonio, which I think you mentioned in your testimony; the Big Bend areas. It has got mountains, mountains in Texas. We have got one that is 8,751 feet, Mount Guadeloupe. We have got the Marfa lights out there, which some people think they are UFOs, other people don't think they are UFOs, but go and see for yourself. We have got the Panhandle Plains, "limo skies," and the best steaks, like premium steakhouse there in Buffalo Gap, Texas. And finally, we have got, where I live, the Gulf Coast of Texas, which stretches from the border with Mexico to the border of Louisiana, beautiful beaches, lots of great fishing, and home of the Johnson Space Center.

And so we have half the southern border with Mexico, and what I am concerned about is Latin America is the fastest-growing market for our economy, at least in Texas. We have got robust cruise ship operation out of Galveston, Texas. In fact, I went on that cruise with my family Christmas before last, and we went down to Central America, the Caribbean and northern part of South America. Now, I can assure you that the people on that cruise—there were a lot—we have the blue passports, our passports, but many, many people on that cruise ship had different color passports, so they were on actual business coming to Galveston, Texas, to get on a cruise ship to go down to Latin America.

And we got three major international airports. San Antonio airport, my colleague Mr. Gonzalez, that is his home airport; Dallas-Fort Worth; and we have got Bush Intercontinental, where I live; and maybe a fourth one. We have got a little debate going on right now in Houston about Hobby airport getting some international travel access down to Mexico, and the northern part of Central America, and northern part of South America.

And so what I am concerned about is obviously we just have a tremendous opportunity in Texas to grow. I mean, it is just numbers for you. For example, the GDP of the Texas travel industry was \$23.4 billion in 2010. That is only lower than the oil and gas segment and on par with agriculture. That is high cotton in Texas. You are competing with the oil and gas industry and the agriculture industry, the cattle ranch industry. You have got something going on there, 23.4 billion.

What I am concerned about is that from 2000 to 2010, U.S. Share of spending by international travelers fell from 17 percent to 11 percent, more than 30 percent decrease in our share of the global market. The good news is we have, you know, record \$153 billion of U.S. Travel and international tourism, but I am concerned about the decline there.

In your testimony you say that the decreased share of international travelers was a result of more competition. And I am concerned about 9/11 and how that has changed things, not just for the airline industry. We tend to focus on that. But also, as I mentioned, we have got people coming across, their cars, from Mexico into my home State that want to be tourists there, that they are having to go through changes down there on the border. We have got the cruise ships. They have to go through different procedures to get aboard the ship. That is all good. But I am just concerned, was industry seeing a decrease before the 9/11 terrorist attacks? I mean, like, what were the numbers between 2000 and 2001?

Ms. LAMB-HALE. You know, I would have to get back to you on that. I don't have those numbers handy. But I can tell you that what—I can give you some sense of the competition and why it is that as a result of that we have implemented and are implementing the strategy.

After 9/11, of course, because of security concerns, rightly so, we had to do some things to make sure that our public, the American public, was secure. And we are now doing that and promoting the United States.

I think that the competition and increased competition is that there are other areas of the world to see. There is a growing middle class and emerging economies, and they have a lot of choices that they can make. So I think that the fact that we are coming together as a government and for the first time really actively promoting the U.S., I think that we will gain the competitive edge that we all want to create jobs.

Mr. OLSON. Yes, we need to do that, because I applaud the idea of welcoming 100 million visitors, international visitors, to our State. That is very important. But right now our States have one hand tied behind their back, because they are competing against other countries. I mean, my home State of Texas, we have this advertisement program. I know we go to other States. I have seen—back home I see my colleagues from Michigan here, you guys are doing a good job.

Ms. LAMB-HALE. I am from Michigan, too—

Mr. OLSON. There you go. I see those guys on my TV come to Michigan, beautiful city, but we need help. I mean, how many jobs do you think would be impacted if we get this 100 million international tourists coming in? How many jobs we have right here in the United States, any idea?

Ms. LAMB-HALE. Well, I can tell you what the statistics were for 2011, and we can do some math, get a calculator out and maybe extrapolate from that. But I can tell you that there were 1.1 million total jobs supported by international travelers in 2011. So if we can do the math—I went to law school for a reason. So I don't know that I can do it in my head right now, but there is a formula. I mean, we have a formula. That is how we derived the goal. There

is a direct correlation between job creation and the exports that we receive through travel and tourism by international visitors.

So I think that if we look at what happened in 2011, if the Federal Government comes together with the private sector, and we really make the push that the strategy suggests, I think that we are going to see an enormous impact on job creation.

Mr. OLSON. Thank you. And I am way over my time. Just again, Texas, it is like a whole other country.

I yield back.

Mrs. BONO MACK. I hesitate to recognize the next Texan for a Texas filibuster, but the gentleman from Texas is recognized for 5 minutes.

Mr. GONZALEZ. Thank you very much, Madam Chair. It is just that we have so much to brag about, and rightfully so.

But quickly, thank you very much, Madam Secretary.

Let me ask you. I want to turn to the international visitor for a lot of reasons. You told me that you want to promote, obviously, what is going on domestically, and I understand that. And with the recession we probably have more people in the United States staying within the United States and visiting San Antonio and other spots as opposed to those particularly five States that the ranking member had pointed out. Those figures come from the census—that is what I was checking a minute ago with my staff—and in essence basically stated there were, I think, five States. According to the U.S. Department of Commerce, five States, New York, Florida, California, Nevada and Hawaii, received 93.8 percent of visitors. That excludes visitors from Canada and Mexico.

There are many, many variables that come into play as to whether they are going to go to any of the other vacation spots. Something that my colleague from Texas pointed out is it is going to be the availability of just air transportation, major airports. And if you are going try to get people going from New York or whatever to other locales maybe once they get here or whatever, you still need all sorts of direct routes to some of those cities like San Antonio. And I am sure some of my colleagues know exactly what I am talking about.

And where I am going with this is that my understanding is that the administration, one of its goals is to coordinate the efforts across agencies and departments to accommodate all of those considerations so that we are working at truly what would be the optimum.

You have already heard that we have security concerns. We have, of course, just the accommodation of air routes and such, all of that. What are we doing in order to get all the agencies and departments on the same page to accommodate and encourage international visitors?

Ms. LAMB-HALE. Well, what we are doing is, first of all, developing the strategy. We developed the strategy that was an inter-agency process. It was a task force led by the Secretaries of Commerce and Interior. And all of these agencies that have equity in this space have pulled together to put together this strategy, and they are beginning to implement that strategy. And that is something that we really haven't done as well before.

I mean, we do have the Tourism Policy Council that has been in place. We are rejuvenating that. We are making sure that senior-level officials participate very actively to ensure that there is coordination on the Federal level. Through the creation of National Travel and Tourism Office at the Commerce Department that I spoke about, that will really create a central focus and really ensure that the coordination of the strategy, the implementation of the strategy takes place.

And, you know, I wanted to mention, too, the issue of the five States. You know, we have not promoted the United States like we are planning to do, like we are doing now with Brand USA. The people who are going to those States are going to those States without the additional push from Brand USA and from the coordination of the Federal agencies to really market the United States as a whole. And I think as we do that, all States will be able to benefit from international visitors coming because we are going to go tell the story.

We haven't told the story effectively. Brand USA's marketing campaign is fabulous, and it really focuses on all that the country has to offer. I think that particularly working together with the Department of Interior, you will really see a boost in our promotion activities that will ensure that we have the increased international visitors that we all want to create jobs.

Mr. GONZALEZ. And I think that is part of the formula.

The other thing is I am just asking you to take very seriously that one provision there and goal of coordinating between departments and agencies.

Ms. LAMB-HALE. Yes.

Mr. GONZALEZ. There are some things you would be able to do that are beyond your control, the strength of the American dollar compared to another currency and such, making the United States an attractive place to come; security and such. But there is still a lot to be done.

Ms. LAMB-HALE. Yes.

Mr. GONZALEZ. I have about a minute left, and quickly I want to make a distinction. When I read this, I thought it was just absolutely amazing. I don't know if you are making distinction—and we have people from the tourism industry—the distinction between someone who comes to truly visit, or someone that comes here, and, of course, they are going to eat at our restaurants, stay in our hotels, but they are here to purchase things. That, to me, is a really high-value tourist.

So I am going to read you something from the Orange County Register of March 12, 2012: In fact, Brazilians are spending so much that flights with Brazil's top airline, TAM, originating in the United States have had to carry more fuel to accommodate the dramatically overweight baggage. New York. And I am sure we can talk about Miami and other places.

Is there any distinction in making that kind of tourist—I call them really a customer of the United States, truly export in many ways—are you making any distinction to accommodate that kind of commerce with visitors to the United States?

Ms. LAMB-HALE. Well, I think that there is no surprise that Brazil is among the top destinations that we are marketing to for

the United States because of fact that statistics show that they do spend quite a bit of money. It is interesting as we look at the export opportunity, it is not—you know, it is paying for the plane ticket, and it is coming in and buying, you know, soda and clothing, et cetera.

And so I think as we approach this strategically, and we use resources both public and private in the most efficient way possible, we will be looking at areas that make the most sense to market to initially.

I know that Brand USA, and I am sure Jim Evans will tell you this, has a plan, a strategy, a rollout. And what you will see is that countries where we have visitors who are those high-value visitors that you described are going to be at the top of the list.

Mr. GONZALEZ. Thank you very much for your testimony.

I yield back. Thank you for your indulgence.

Mrs. BONO MACK. Thank the gentleman.

The chair recognizes Mr. Pompeo for 5 minutes.

Mr. POMPEO. Thank you, Madam Chairwoman.

Unlike the other Members today, I am not going to shamelessly promote Kansas. I don't need to. If you have ever seen a Kansas sunset, if you have ever had a chance to go hunt and fish in western Kansas, or you have had a chance to visit Kansas City and the wonderful amenities there, you don't need a Member of Congress to sell you on it.

You may not need Federal trade promotion either. And that is really—I want to follow up on what Mr. Gonzalez said. Tell me about the metrics. There are so many dynamics, fuel price, the dollar value. You talked about developing metrics. What are the metrics against what you will measure the resources that are being expended on this project?

Ms. LAMB-HALE. Well, certainly we are—those are in development. We are working very hard to ensure that our research and our data support what we are doing, the monies that are being spent. I know that Brand USA has been working very closely with us to ensure that we can measure our success.

We are very focused on public-private partnerships to help us to develop the metrics and to be able to measure our success, and so that is something that under the strategy we are developing, it is under way. You know, there are traditional metrics in terms of, as Mr. Gonzalez mentioned, you know, spending patterns and, you know, can you make a direct correlation between an advertising campaign in Japan and how much is spent by Japanese visitors in the U.S.

Those are things we have to work through. I don't think that we have the formula down pat now, but it is a critical part of the strategy to conduct research and measure our results. And so that is something that the Tourism Policy Council will be working very closely on with our Travel and Tourism Advisory Board and with Brand USA to make sure that we can report to you successes in this regard.

Mr. POMPEO. Great. I appreciate that. I think it is difficult. That is why I ask. I think it is hard to segregate out what is really driving it. I appreciate, too, that we have got lots of private money going to these folks who have an enormous self-interest in making

it successful for their businesses and for their employees for job creation in America. I appreciate the way that this program has been developed.

Really, one last comment, and then I will yield back my time. I listen to the groups of different folks who are involved in this, and whenever I hear “interagency working group,” I become frightened, because I often think that often means duplicative programs, confusion, incoherent policy objectives, overlap and waste. So I would just—we will keep following on this committee. I would urge you to do everything you can to make sure that we are not committing the same problems here—or having the same problems here that we have in so many other places in Federal Government today.

Thank you very much for coming and joining us this morning.

I yield back.

Mrs. BONO MACK. I thank the gentleman.

And the chair recognizes Mr. Harper for 5 minutes.

Mr. HARPER. Thank you for being here with us today, and we certainly hope that you will come visit us in Mississippi, where the food is always better. We can fry anything, just so you know. It is a great place.

But we have many wonderful places to visit. We have the beautiful Natchez Trace Parkway that runs from Nashville, Tennessee, down to Natchez, Mississippi, on the Mississippi River. Lots of great history there. We also have the Dixie National Rodeo that is the largest rodeo east of the Mississippi River. And surprising to some is the International Ballet Competition is only held in one place in the United States, and that is in Jackson, Mississippi, every 4 years, a 2-week Olympic-style event that is peopled with visitors from all over the world. And so we hope you will take a chance to come visit us sometime. And there are great things there. The Mississippi band of Choctaw Indians, their ad campaign is “Vegas with Sweet Tea.” So many wonderful things there.

And we appreciate what you do. And we know this, that tourism is important to every State. And it is affected in great ways, particularly on group travel, by gas prices at the pump. The high prices definitely have a big impact on planning those trips, from bus tours to other groups that come in. So we certainly hope that the administration will perhaps reconsider its position on Keystone XL pipeline and look at ways that we can affect that price at the pump directly, realizing that when gas was \$1.84 a gallon average, it is a lot easier to get folks on board and to make trips. So that is a big impact.

But what I want to do is ask you a couple of questions, and understand how did the administration set goals for the strategy that you have discussed? And is the primary goal to increase the number of international visitors to 100 million by 2012?

Ms. LAMB-HALE. It is by 2021.

Mr. HARPER. I am sorry, 2021. If I could read, I could figure that out.

Ms. LAMB-HALE. OK.

Mr. HARPER. You know, 100 million is a nice goal, but how was that figure arrived at? That is a very ambitious goal, a good goal.

Ms. LAMB-HALE. It is ambitious, and we really want a stretch goal. We don't want to set forth a goal that, you know, is too easy

to reach, because we want to work together and really push to ensure that the job creation that we believe can occur as a result of this industry is as robust as possible.

The Office of Travel and Tourism Industries in the Department of Commerce does an annual forecast of international travel, and that forecast shows that there is an increase of 4.2 percent per year through 2016 just based upon factors that we look at in deriving that number. We believe that if we pull together the way that we plan to do under this strategy, and with the help of the private sector, we can push that to 5 percent per year. So once you get that number, we get to 100 million visitors, the math on the amount of money that is spent is just based upon historic spending patterns per visitor.

Mr. HARPER. Got you.

Ms. LAMB-HALE. So even me as a lawyer can figure out how to do the math on that one.

Mr. HARPER. Lawyers are people, too.

Ms. LAMB-HALE. We are people, too, we are. But certainly that was the baseline. It was based upon the survey that we do. And what we did was we really tried to push it so that—based upon all the efforts that we are making.

Mr. HARPER. How do you plan to coordinate your activities with Brand USA to make sure there is no duplication or that you are working together? And what do you see as the key contribution of the Department?

Ms. LAMB-HALE. OK. Well, we will not duplicate the efforts of Brand USA. Brand USA is a private-sector entity. They will be putting together their plans and working very closely with their private-sector partners to ensure that all of the expertise that is available in industry can be brought to bear to promote the United States.

The government will be focused on uniquely governmental items, creating the environment for travel and tourism businesses to thrive; ensuring that our borders, while protecting them, are welcoming to visitors; ensuring that the playing field is leveled in international fora as it relates to, you know, ensuring that any restrictions on trade and travel and tourism are eliminated. Only uniquely governmental functions will the U.S. Government focus on.

Mr. HARPER. Thank you for your time today.

I yield back.

Mrs. BONO MACK. Thank you, Mr. Harper.

Mr. Guthrie, you are recognized for 5 minutes.

Mr. GUTHRIE. Thank you. And I will promote Kentucky as we move forward. We had a pretty famous event just a few—well, I guess a couple Saturdays ago.

First of all, on the visa you got into, a couple of things. I want to know Brazil has a reciprocal agreement, so whenever a Brazilian citizen is required to come here, it also requires to go there. And I had some friends get caught up in that. They had to fly to Washington, DC, to go through the Brazilian Embassy so they could get their visa to go to Brazil. And I am thinking if we got Brazilians living outside of Rio and Sao Paolo and Brasilia, it is a big country, if they wanted to come here to go to Disney World, they are going

to have to fly to one of those. What an inconvenience it is, to kind of put it into perspective.

And I want to say this, is that how is that going? Because I know that it has to be—we have to protect ourselves from people coming in, one, that want to do us harm, but, one, that want to come in illegally and stay. And I give an example.

I have a young lady, or a friend, or actually almost like a sister who came to study at Western Kentucky University from Mexico as a graduate student and live with my parents. And so she goes home, marries, has kids, and wants to bring them to Disney World. And her husband—I have been to their business. As a matter of fact her biggest complaint—I know it is on TV; she will probably hear it—is that he will never leave his business unless they go on vacation, because he is always there working. And I have been there and seen it, and that is his—second to her, his love. And they couldn't get a visa to come in and for some reason in that into Mexico City. And they have to go through a lot of cases. So it is not a complaint to them. But it just seemed to me to be a clear case of somebody who will come to the United States, take vacation, and go back, and it just seemed very difficult to get that visa. As a matter of fact, they went to Spain instead because they couldn't come here. And so it is the kind of business they could afford to go to Spain. That is the thing.

And so where is that in the process? We have to protect ourselves, but we also—you will hear it from Disney folks in town here that it is difficult to get people to travel back and forth.

And then also when you show up—I am so glad when I land here I have got the U.S. citizen line at the airport, because not only do you get a visa—I haven't flown internationally in a while, but last time I came in, it appeared to be hours of waits to get in, whereas we had the U.S. citizen line or permanent resident line to go through.

So those things about just the difficulty of getting a visa to come here, and the difficulty of getting here once you get here.

Ms. LAMB-HALE. Well, I certainly need to defer to my colleagues at the Department of State and Homeland Security on these topics, but I can tell you that the State Department is working very hard to streamline visa processing. They understand the issues around travel to our consulates around the world and how that may create some inconveniences. They are working hard to reduce wait times for qualified visitors.

So they are aware of the issue, and they have made a lot of progress, and I am sure they would love to share that with you. We can get you some information on that.

With respect to DHS, they recognize that we need to do better at our ports of entry. They have the model ports program that they have been working, and they have developed, through that program, best practices that they are implementing across the country, while still maintaining our security. I think there is a lot that they are doing to improve the infrastructure and the operations at our border crossings, and I think that you will begin to see a difference there.

We have got a lot to do, and we have to protect our national security. That is a very important part of what they do. But they do recognize that there are some improvements that can be made.

Mr. GUTHRIE. I absolutely think there should be no sacrifice to immigration policy or national security to streamline the process. But I can see if you come here once, and you go out, it is just easier to go somewhere else. And that is what I have heard. And with just a couple experiences. Of course, they are anecdotal, but they are experiences.

One thing. There was a guy I met through a connection here from South Africa that came to Kentucky a couple weeks ago. And he said, boy, I never would have come here. He did the Bourbon Trail. We have calcium in our ground, so the grass is a natural supplement for strong bones, so our horses are stronger and better. Also, it is a pure filter for water running through limestone. This is limestone, so it filters, and iron falls out, so if you put it and heat it up and put corn in it, it does well. And the other thing is it also creates caves, because the limestone washes out. So in my district is Mammoth Cave. So he got to do those experiences. He says, wow, I never would have gotten out of DC, New York, California had I not had an opportunity to come here and made that connection that we had.

I mean, what kind of strategy—I know that—I mean, quite frankly, there are a lot of places I haven't visited because I have gone to New York, Washington, California the same way, and I wanted to go to other places. What kind of things are you working on to get them out of the big—they are great cities, I love them, but how do we get them in the heartland?

Ms. LAMB-HALE. Well, I think that really with the help of Brand USA, we will be marketing the entire United States. I think that people are going to those cities that you mentioned because they have heard of them, right? We haven't really, until now, through the strategy and with the partnership of Brand USA, really marketed the country. And I think as we do that, and we focus both on rural and urban areas, we will begin to see a difference there. I think that we really, through the efforts, the combined efforts, of our public-private partnership, we will be able to expose international visitors to all that the country has to offer.

Mr. GUTHRIE. One of the world's great travelers, Queen Elizabeth II, loves coming to Kentucky. So that is my last promotion of our great Commonwealth. Thank you.

Mrs. BONO MACK. I thank the gentleman.

And I want to thank you again, Secretary Lamb-Hale, for joining us today for this important discussion on promoting tourism in America. It is always great to see you and to have you before our committee. I really look forward to working with you to make this a huge success for all of us. So thank you very much for your time, and I hope to see you again soon.

Ms. LAMB-HALE. Thank you, Madam Chair.

Mrs. BONO MACK. At this point we will take a 30-second recess as we seat our third panel. If those third panelists could please come to the table.

All right. We are ready to resume today's hearing with our third panel. Again, each of our witnesses has prepared an opening state-

ment, and that full statement will be placed into the record. You will each be given 5 minutes to summarize the statement in your remarks.

Joining us on our panel are James Evans, chief executive officer of the Corporation for Travel Promotion, also known as Brand USA. Welcome.

We have Geoff Freeman, chief operating officer and executive vice president of the U.S. Travel Association.

We have Debbie Marriott Harrison, senior vice president for government affairs at Marriott International. Welcome.

Scott White. A special welcome to one of my constituents. He is president and chief executive officer for the Greater Palm Springs Convention and Visitors Bureau. Welcome.

And Patrick T. Long, Dr. Patrick T. Long, director for the Center for Sustainable Tourism, Division of Research and Graduate Studies at East Carolina University.

Welcome to each of you. You will be given the 5 minutes. To help you keep track of time, please try to keep an eye on the light. When the yellow light illuminates, you have 1 minute to begin wrapping up your remarks.

Please make sure you bring the microphone close to your mouth and turn it on. It is not just for us, but it is for the stenographer and anybody else who might be listening or watching.

So with this, we are going to begin. Mr. Evans, you are recognized for 5 minutes.

STATEMENTS OF JAMES P. EVANS, CHIEF EXECUTIVE OFFICER, CORPORATION FOR TRAVEL PROMOTION, A.K.A. BRAND USA; GEOFF FREEMAN, CHIEF OPERATING OFFICER AND EXECUTIVE VICE PRESIDENT, U.S. TRAVEL ASSOCIATION; DEBORAH MARRIOTT HARRISON, SENIOR VICE PRESIDENT, GOVERNMENT AFFAIRS, MARRIOTT INTERNATIONAL, INC.; SCOTT WHITE, PRESIDENT AND CHIEF EXECUTIVE OFFICER, GREATER PALM SPRINGS CONVENTION AND VISITORS BUREAU; AND PATRICK T. LONG, DIRECTOR, CENTER FOR SUSTAINABLE TOURISM, DIVISION OF RESEARCH AND GRADUATE STUDIES, EAST CAROLINA UNIVERSITY

STATEMENT OF JAMES P. EVANS

Mr. EVANS. Thank you, Madam Chairman, Ranking Member Butterfield, and members of the committee, for inviting me here today to discuss the ways in which Brand USA will help create jobs by increasing the number of overseas visitors to the United States.

Brand USA was established by the Travel Promotion Act in 2010 to spearhead the Nation's first global marketing effort to promote America as a premier travel destination and communicate U.S. entry and exit policies. Brand USA does not require a single penny of taxpayer money to operate. Rather, the organization is funded through a combination of private-sector contributions and fees paid by international travelers from 36 visa waiver countries.

Congress created this private-public partnership knowing that the U.S. had fallen behind in global competition for overseas travelers. During the last decade the United States' share of overseas arrivals stayed flat even as the global travel market grew by more

than 60 million people annually. And what did this mean to our economy? According to the U.S. Travel Association, had the U.S. kept pace with travel growth, we would have welcomed 78 million more visitors and generated \$606 billion in spending. That is enough to support more than 467,000 jobs, American jobs, annually.

These overseas travelers are the most lucrative for the U.S. economy. On average they spend \$4,300 when they visit the United States, and that doesn't include business deals done when travelers come to the United States to buy manufactured goods. And every 33 overseas travelers support 1 U.S. job.

The challenge to recapturing our share is even greater as the global travel market has become increasingly competitive over the years. Until now the United States was the only industrialized country that did not actively market itself to promote international visitation. A 2011 McKinsey Global Institute report estimates that the tourism sector could add 2.1- to 3.3 million jobs this decade. In order to reach that higher number, however, the report says that we need to increase the number of overseas visitors to our shores.

Brand USA is committed to doing its part to reach the goal by developing a global marketing campaign on behalf of the United States, with a strategy designed to promote all facets of our great Nation. This month we launched our campaign in three markets, in the United Kingdom, in Canada, and Japan. Our decision to target these markets first was based entirely on where we believed, through research, our advertising campaign will achieve the greatest possible return on investment.

The campaign reflects insights gained from surveying potential visitors to the United States, and what we found wasn't all that surprising, but was sometimes difficult to hear. Some felt we haven't been a very welcoming Nation in the past recent years. Others felt that there were newer, more exotic markets they were interested in visiting. And others felt they had seen all they needed to see of the United States.

This research fed into our campaign message, inviting travelers worldwide to discover this land like never before. We are using television, digital advertising, signage, print ads, and a robust social media strategy to reach our potential visitors. And our Web site, DiscoverAmerica.com, features destinations large and small, iconic and less known, from all regions, both urban and rural.

We are also working with the Departments of State, Homeland Security, Commerce, and Interior to better communicate our Nation's evolving security rules, to address misperceptions, and create a more welcoming environment to visitors.

Once the program is fully activated, we will have a better idea of what to expect from a return-on-investment perspective, but our goal in this inaugural year is to have a 3-to-1 return on our marketing spend, and eventually, in 3 to 4 years, to achieve a 20-to-1 spend.

I thank you for the opportunity to be here this morning to testify. We greatly appreciate the support of this committee as well as other Federal partners in the executive branch. We look forward to working with you to ensure that our success leads to the creation

of much-needed American jobs. I thank you for your time. I look forward to answering any questions you may have.

[The prepared statement of Mr. Evans follows:]

Testimony
of
James P. Evans, CEO of Brand USA
on
“Where the Jobs Are: Travel & Tourism”

Before the
United States House of Representatives
Energy and Commerce Committee
Subcommittee on Commerce, Manufacturing, and Trade
May 16, 2012

Introduction

Thank you Chairwoman Bono Mack, Ranking Member Butterfield and members of the Committee for inviting me here today to discuss the ways in which Brand USA will be working towards bringing more international visitors into the United States thereby creating more jobs, improving U.S. exports and increasing local revenue.

Travel and Tourism: A Growing Global Opportunity

In 2011, there were 62.3 million international travelers entering the United States and they spent \$153 billion as part of their visit to our country. That represents 7 percent of total US exports and 25 percent of U.S. services exports. It also represents a \$42.8 billion trade surplus.

To show the power of travel on the U.S. economy, it's important to note the travel and tourism industry is the largest service sector export in the country. In 2011, real travel and tourism spending grew 3.5 percent—more than doubling the growth rate for the United States economy as a whole.

In addition, last year the travel and tourism industry generated \$1.2 trillion and supported 7.6 million jobs, of which 1.8 million jobs are supported or created as a result of international travelers visiting hundreds of communities across the country. Many of these jobs cannot be outsourced and are in industries not directly associated with travel—including manufacturing, construction, agriculture and health care.

While international in-bound travel to the United States reached record levels during four of the last five years, the gains make up only a fraction of the significant loss in share we experienced in the global travel market in the previous decade.

Since 2000, our share of international arrivals declined by 37 percent from 17 percent of the world market in 2000 to 12.4 percent today. Between 2000 and 2010, the global travel market grew by more than 60 million travelers annually, yet U.S. visitation stayed virtually flat. According to a report by the McKinsey Global Institute had we maintained our market share over that period, the country would have had 67 million more visits and \$606 billion in additional revenue over the past decade. Reports estimate that this would have produced anywhere from 400,000 to 467,000 jobs annually for the United States, with roughly half of those jobs in the tourism sector and the other half across the rest of the economy.

A primary reason for the United States' loss in share over this time period is because until this year, the USA was the only industrialized country that did not actively market itself to promote international visitation.

Our cities, states and other leading travel and tourism organizations have done a tremendous job bringing international visitors to our country—in particular to our larger and better known destinations. But cities and states can't compete with countries outside of the USA that are spending up to \$200 million a year on nationally coordinated travel and tourism marketing.

The challenge has become even greater as the global travel market has become increasingly competitive over the years.

Increasing international visitation to the United States remains more important than ever. Every 35 overseas travelers to the United States supports one U.S. job, making international visitation an integral part of creating jobs and improving local economies throughout the country.

On average, overseas visitors spend \$4300 when they visit the United States. This money is spent at hotels, restaurants, retail and other U.S. businesses, including many small businesses covering a cross-section of industries. Additionally, many of the jobs only require on the job training and therefore can be added very quickly.

The McKinsey report estimates that the tourism sector could add 2.1 to 3.3 million jobs this decade. In order to reach and sustain a high job growth, the report states we must reclaim the lost ground in international visitation. Furthermore, according to the U.S. Department of Commerce, the United States is forecast to see a 5 percent annual growth rate in visitor volume from 2012 to 2016. By 2016 we are forecast to welcome 81 million visitors, which is an additional 22 million visitors and support for 338,000 jobs over 2010.

Brand USA

Today, the United States has a tremendous opportunity to leverage the power of promoting international travel to America—through the Travel Promotion Act, which set up a new organization called Brand USA—which was established and operates without taxpayer funds.

Brand USA recently launched the first wave of its global marketing and advertising campaign on behalf of the United States of America—with a strategy designed to promote all facets of our great country.

It's important to note that the overall objectives of the global campaign are to promote the United States in its entirety and inspire travelers to see the United States as if for the first time. To that end, the campaign presents the vast range of experiences that the USA offers—with a special focus on what is new, unknown, or unexpected.

While the iconic locations and landmarks of the United States, which have been the primary driver of international travel to America, will be an important part of the marketing effort, we are committed to equally promoting the urban and rural communities, and National Parks.

This approach will allow us to maximize the social and economic benefits of travel to communities of all sizes, including those off the beaten path—an often-overlooked part of travel promotion.

The management and staff of Brand USA is a lean, yet high-caliber team with experience from a variety of leading organizations. Together they oversee the critical business areas of marketing, business development, stakeholder relations and operations. We are also a diverse team—by design—in order to better represent the multi-national customers to whom we will be marketing. We speak 14 languages and have resided in 25 different countries--from the Netherlands to Japan to Brazil, and beyond.

And we are all focused on one goal--to inspire millions of additional travelers to come to the United States each year—which will, in turn, deliver a high return to our country in the form of job creation, GDP and export growth, and increased federal tax revenues.

On April 23, 2012, at International Pow Wow, the largest U.S. leading travel show, we unveiled the global campaign, including the TV spots that will run in countries throughout the world.

The focus of the campaign is nothing short of rekindling the world's love affair with the USA—the place, the spirit and the dream. This campaign will spread the United States' welcoming message throughout the world, inviting travelers to visit us and “Discover this land, like never before”.

The campaign reflects insights gained from surveying potential visitors to the U.S. We conducted four rounds of qualitative research in 11 countries—starting with rough concepts. Based on the initial research, we made refinements to the campaign and continued to leverage research to guide us throughout the development and production process.

We wanted to uncover existing perceptions about the USA so we performed surveys and held town halls. What we found wasn't all that surprising, but it was sometimes hard to hear. Some felt we haven't been very welcoming in the past. Others felt that there were other newer, more exotic markets they were willing to travel to. Others felt that they had seen all they needed to see of the United States. This research fed into our campaign message of "Discover this land, like never before."

The campaign utilizes a dynamic multi-channeled mix of media customized to each market and optimized on a rolling basis. We have developed 60 second, 20 second, and 15 second television spots, as well as digital, signage and print ads and a robust social media strategy to reach potential visitors. Country specific Facebook and Twitter pages will showcase targeted promotions and the newly re-launched website DiscoverAmerica.com will act as visitors' information portal for trip planning.

The website features destinations large and small, iconic and lesser known, from all geographical regions. The site highlights not only the destinations, but more specifically, the experiences a traveler might have—a North Carolina BBQ, a scenic ride on the Palm Springs Aerial Tramway, the music scene in Nashville or baseball Spring Training in Florida.

To ensure that we increase overseas visitors to every region of the country, we have created a rural tourism advisory group, to help us increase the number of visitors to "off the beaten path" destinations. It is our mission to welcome visitors to all of the United States, so that we share in the benefits of increased jobs and exports.

This month we launched our campaign in three markets: the United Kingdom, Canada and Japan. Our decision to target these markets first was based entirely on where we believe our advertising campaign will achieve the greatest possible return on investment. To determine this we took a number of variables into consideration, including the number of visitors from each country, the total revenue value of tourism from that country, the cost of buying media in that country, the growth and the ease of entry.

We are currently finalizing the timing for each of the subsequent waves to ensure we are maximizing the campaign's impact in our target markets. Markets under consideration for the next wave currently include Brazil and South Korea, China, India, Germany, Mexico, India and Australia, and many others.

Once the program is fully activated we will have a better idea of what to expect from a return on investment standpoint, but the goal is to drive an increase in incremental international visitation—initially achieving, in the near term, a 3:1 return in visitor spending for every dollar we spend on advertising—and eventually a 20:1 return over the long-term. Achieving the long-term targeted return will require continued support for and recognition of the expansive power of international travel to the United States as an economic growth engine.

As I mentioned, Brand USA does not require a single penny of taxpayer money to operate. Rather, the organization is funded through a combination of private sector contributions, with the public portion of Brand USA's budget provided through matching funds drawn from fees paid by international travelers from 36 visa waiver countries to the Electronic System for Travel Authorization (ESTA) program. This program, administered by the Department of Homeland Security, assesses a \$14 registration fee per traveler (with \$10 held in trust for travel promotion and \$4 provided by Homeland Security to cover the costs to administer the ESTA program).

Our private sector investment has come from organizations of all sizes and which represent all segments of the travel industry. They span from our founding partners Disney, Marriott and Best Western, to CityPass and Starwood, as well as a range of partnership investments from state and destination marketing organizations like California, Florida, New York, Minnesota, Houston, Las Vegas and Alaska.

These investments have put us well on the way to our fundraising goals for this year. We expect to exceed our goal of \$10 million in cash contributions and continue to pursue partnerships to expand our marketing campaigns. We conservatively estimate that we reached about half of our goal of \$40 million for in-kind investments. In-kind investments must be developed and executed, however, before we can submit them for matching ESTA funds.

We greatly appreciate the support of our Federal partners, in both with the executive and legislative branches, who have been of great assistance. We have worked with the Departments of State, Interior, Commerce and Customs and Border Protection at the Department of Homeland Security to fully utilize the tools of the federal government to help create a more welcoming environment and further promote our message. What makes these affiliations feasible is the shared national goal of increasing international visitation and creating jobs.

We have a nascent but robust collaboration with the U.S. Department of State. Brand USA reps in-market work closely with new embassy travel and tourism teams just as our organizations work closely in Washington. Because many international consumers will not distinguish between the “USA” call-to-action and the U.S. government in-country, it is important that the embassies in our consumer launch markets are aware of our marketing and armed with appropriate responses to inquiries.

In addition, we are collaborating to properly communicate U.S. visa and entry policies and to identify and correct misperceptions about those policies. Finally, we are working on pilot programs to bring Brand USA to the consular areas of U.S. embassies in Paris and Berlin, including loop video that features Brand USA advertising, National Parks materials and education footage for traveling to and entering the United States. We are impressed with and appreciative of the tremendous support of Deputy Secretary Nides and his team, and the great strides made in reducing visa wait times.

Our work with Customs and Border Protection (CBP) is on promoting Global Entry, the trusted traveler program for pre-approved, low-risk travelers, to international visitors and to domestic travelers. CBP is currently expanding the number of countries that are able to sign up for the program. We are also beginning work with CBP, airport authorities and the private sector on improving the experience for international arrivals at select airports in the United States.

Our commitment is to continue to build upon the strong relationships and collaborative partnerships we enjoy today with the agencies of the United States government in order to keep the lines of communication and cooperation moving forward in a positive direction.

Closing

Thank you for the opportunity to testify today. We look forward to closely working with you to bring more international visitors to the United States and in turn begin to increase jobs, exports and revenue throughout the country. You will be hearing from us as we progress with Brand USA activities, messaging, and policies to ensure you are aware of the state of the industry and our promotion efforts. Thank you for your time and I look forward to answering any questions you may have.

Mr. EVANS. And, Madam Chair, I have a 2-minute video at some point in time if you would like to take a peek at it. If you have time.

Mrs. BONO MACK. Go ahead. We are prepared when you are.

Mr. EVANS. Wonderful.

[Video shown.]

Mrs. BONO MACK. Thank you. Is that on your Web site?

Mr. EVANS. It is on our Web site. That again, just a reminder, is not an ad. Obviously, it is too long. But it is a promotional piece we use. But all the content in every ad we have comes from that video.

Mrs. BONO MACK. Well, I thank you. It is well done. And I think we all will be singing "Land of Dreams" all day long.

Mr. BUTTERFIELD. Was that a 1959 Cadillac I saw in that?

Mr. EVANS. It was a Cadillac, yes.

Mr. BUTTERFIELD. 1959?

Mr. EVANS. Yes. It is not mine, I promise.

Mrs. BONO MACK. All right. And Mr. Freeman, a tough act to follow, but you are recognized for 5 minutes.

STATEMENT OF GEOFF FREEMAN

Mr. FREEMAN. You can't watch that video and not get excited about the new face that America is putting out there and the invitation that we are sending to travelers around the world.

Thank you so much for hosting today's hearing. We greatly appreciate that as you talk about your various destinations, and all the opportunities that are there, your unique understanding that it is not just fun, it is also big business. It is an opportunity to drive your local economies. And that is why the travel industry wishes to partner with you to help create good American jobs, the good American jobs that we are all seeking right now to turn this economy around.

The travel industry supported 14 million American jobs last year, but as Jim said, McKinsey estimates this industry could add an additional 3 million jobs over the next decade. To do that we have to work together to remove barriers to travel, and we are excited to work with you to do that on both the international front as well as the domestic front. And if you don't mind, I would like to walk through both of those sides and suggest some of the things that we need to address in order to welcome more travelers to our shores and encourage people to travel within the country.

On the international front, travel is our number one export, generating \$153 billion last year alone in spending. This is an element of our industry that we absolutely must promote. To do that we obviously need a secure and efficient visa system, our entry process must be welcoming, and our promotion must correct a global misperception that America is not as welcome as it might have been before. We see this as three links in the travel chain, all of which must work together, none of which being more important than the other.

Let us begin with the visa process. Visa wait times for some time over the past decade have been a great barrier to travel to the United States, often exceeding, in some destinations around the world, more than 100 days just to receive an interview. We con-

gratulate the State Department on making great strides in recent months in reducing those wait times in Brazil, in China, and elsewhere around the world.

The question and the challenge for all of us right now is how we make sure that these changes, these improvements can be sustained over time. We have several recommendations that we look forward to working with you to ensure that we can maintain these visa successes.

Number one, we encourage you to codify a 10-day visa wait time as a standard around the world. Two, we need to direct the State Department to tie visa personnel staffing levels to meet this standard. Number three, direct the State Department to pilot the use of secure videoconferencing technology in large countries like Brazil and China, where people don't have access to consulates. And finally, we need to look for opportunities to expand the Visa Waiver Program, which is included in bipartisan legislation that exists both here in the House and in the Senate.

The second area that we have to address is obviously the entry experience. The entry process right now suffers from too few agents to meet the considerable demand that we have to come here. Several things that could help us address this issue include establishing a passenger wait time standard of no more than 20 minutes; extending the reach of current staffing resources and expanding the use of global entry; and finally, setting metrics to measure the customer service performance of CBP officers at our airports.

The final thing, as Jim has focused on on the international front, is effective promotion. This committee led the way for TPA's passage. TPA's passage will drive billions in new spending and support tens of thousands of jobs in our country. We need your help in protecting and promoting the Travel Promotion Act as we move forward, and we will obviously have an opportunity at the end of its authorization to determine its effectiveness over that period of time.

Switching over to the domestic side, we also have opportunities there. We certainly have opportunities to improve our air travel experience, where many travelers today are avoiding travel because of the hassles associated with that experience. We encourage you to take a hard look at TSA, which was mentioned earlier, and necessary reforms that need to take place there.

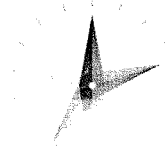
We also need to look, though, at another potential barrier, and that is language or policy from Washington that could discourage travel. The recent GSA scandal, where individuals acting inappropriately sullied the hardworking men and women of our industry, causes our industry great concern, as it does you as well. OMB recently issued guidance to establish greater oversight in reporting. The travel industry supports these efforts from OMB. But OMB also suggested an arbitrary 30 percent cut in travel that neither we or Congress should support.

Travel should be based on its merits, not on arbitrary mathematics. We welcome the opportunity to work with Congress and the administration to ensure that legitimate Federal conferences are not unnecessarily canceled, and that responsible Federal travel can still take place. We look forward to being your partner in creating American jobs and encouraging travel to and within this country.

Thank you.

Mrs. BONO MACK. Thank you, Mr. Freeman.

[The prepared statement of Mr. Freeman follows:]



U.S. TRAVEL
ASSOCIATION

TESTIMONY OF

**GEOFF FREEMAN, CHIEF OPERATING OFFICER & EXECUTIVE VICE PRESIDENT
OF THE U.S. TRAVEL ASSOCIATION**

ON

“WHERE THE JOBS ARE: PROMOTING TOURISM TO AMERICA.”

BEFORE THE

**U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON ENERGY AND COMMERCE
SUBCOMMITTEE ON COMMERCE, MANUFACTURING, AND TRADE**

MAY 16, 2012

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INTRODUCTION

Chairman Bono Mack, Ranking Member Butterfield and Members of the Subcommittee: I applaud you for holding today's hearing on ways to spur greater economic growth and job creation in the United States through travel promotion and facilitation. I am pleased to offer testimony on behalf of the U.S. Travel Association (U.S. Travel), the national, non-profit organization representing all sectors of America's travel industry.

TRAVEL'S ECONOMIC FOOTPRINT

Travel provides good, American jobs that cannot be outsourced. Last year, the \$813 billion travel industry generated a total of \$1.9 trillion in total economic output. Domestic and international travel supported 14.4 million American jobs, including 7.5 million directly in the travel industry and 6.9 million in other industries, and is among the top 10 employers in 48 U.S. states and the District of Columbia. For example, travel directly employs nearly 813,500 Californians, contributes \$89.2 billion annually to the state's economy and generates more than \$14.1 billion in state and local tax revenue. Similarly, travel directly employs more than 191,300 North Carolinians, contributes \$16.2 billion to the state's economy and generates nearly \$2.6 billion in tax receipts. In every region of America, travel helps pay the salaries of police, firefighters and teachers without creating much new demand for those public services.

Like other sectors of the economy, the travel industry was hit hard during the recession. Travel industry employment fell by nearly half a million from February 2008 to December 2009. Yet, our industry has helped lead the nation's economic recovery by adding 277,000 jobs since 2009. To date, the travel industry has regained more than half (56%) of the jobs lost during the downturn. In fact, the pace of job growth in the travel industry has exceeded the rest of the economy by 33 percent.

The Nation's Largest Industry Export

During the past several years, strong export growth enabled employment in the travel industry to grow faster than the rest of the economy. Every dollar international visitors spend in the U.S. counts as an export – just like agricultural crops, minerals or manufactured goods. When international visitors travel to the United States, they inject new money into the U.S. economy by staying in hotels, spending in stores, visiting attractions and eating at restaurants. In many cases, they are also here to conduct business by inspecting products they are purchasing, attending meetings and negotiating business contracts.

In 2011, travel exports rose to a record \$153 billion, larger than exports of other service industries as well as major manufacturing industries such as machinery, computers and electronic products, and aircraft. Expenditures made by international visitors comprised 1 out of every 7 travel dollars spent in the United States. This level of travel exports led to a record \$43 billion travel trade surplus, which helped mitigate the \$738 billion U.S. trade deficit in manufacturing and other goods.

More recently, travel exports continue to expand at a healthy pace. During the first three months of 2012, travel exports grew at a 20 percent annual rate compared to the fourth quarter of 2011, which was double the growth rate of other exported goods during the same period.

Complementing this export growth is job growth for Americans. The employment recovery in the travel industry has outpaced the rest of the economy and much of this employment growth is being supported by the spending of international visitors traveling in the United States. Of the 142,000 jobs added in the travel industry in 2011, more than a third (38 percent) were supported by international travel spending.

The most lucrative segment of international travel for the United States is the overseas market. These visitors tend to stay longer and spend more money while in the United States. Every overseas visitor spends an average of \$4,300 during their trip to the United States compared with an average spend of less than \$800 for Canadian and Mexican visitors. In fact, the spending of every 35 overseas visitors traveling in the United States supports 1 U.S. job.

An Opportunity for Greater Economic Growth

While it is clear that travel is helping to drive the U.S. economic recovery, the benefits could be far greater. The United States' share of global international long-haul travel actually fell from 17 percent in 2000 to just 12.4 percent in 2010 despite a 40 percent growth in overall global travel. So while global international travel boomed over the last decade, America failed to keep pace.

A study¹ released last year by the McKinsey Global Institute projects the leisure and hospitality sector could add between 2.1 million and 3.3 million new jobs in this decade because the industry is labor intensive, driven by consumer spending, and safe from risks of outsourcing overseas. But to reach the high-growth scenario of 3.3 million new jobs by 2020, the United States needs to implement a plan to increase demand for domestic and international travel and remove any existing barriers.

PROMOTE AND EXPAND INTERNATIONAL TRAVEL

Global travel is projected to grow 36 percent between 2010 and 2020, resulting in \$2.2 trillion in direct travel spending and 62 million jobs. This massive growth in international travel provides the United States an opportunity to regain its lost share of the global travel market and become the world's top travel destination. However, to accomplish this goal, the U.S. must focus on the following key elements:

- 1) international travel promotion;
- 2) a secure and efficient visa issuance process;
- 3) expansion of the Visa Waiver Program; and
- 4) a more efficient and welcoming customs clearance process at major U.S. air ports of entry.

Travel Promotion

In 2010, thanks to the support of Chairman Bono Mack, Ranking Member Butterfield, Representatives Barton, Waxman and Rush, and other members of the subcommittee, the Travel Promotion Act was enacted and created a public-private organization, known today as Brand USA, to help explain U.S. travel and security policies and develop global promotion campaigns to attract millions of additional visitors to the United States.

¹ *An Economy that works: Job creation and America's future*, McKinsey Global Institute, June 2011

The need for Brand USA is simple; the decline in overseas travel to the United States post-9/11 is linked to the mistaken but widespread perception that visitors are not as welcome as they may have been previously and that many security policies are intrusive and unnecessary. Prior to the creation of Brand USA, the United States had no means of direct communication with travelers, leaving all messages about traveling to America to be filtered by the foreign media – which never painted a pretty picture. In contrast, America’s competitors were spending millions of dollars in promotion programs to attract visitors.

With the creation of Brand USA, the United States is now competing around the world for billions in visitor spending by highlighting our nation’s assets. During the Congressional debate on TPA, Oxford Economics estimated that the travel promotion program could attract as many as 1.6 million new visitors each year, generate as much as \$4 billion in new visitor spending annually and create 40,000 new U.S. jobs. And the Congressional Budget Office reported that the bill will reduce the deficit by \$425 million by 2020.

Recognizing that the U.S. was facing a global competitive disadvantage in the international travel marketplace, Congress showed strong leadership by enacting TPA – a business minded solution that doesn’t cost U.S. taxpayers a dime. As we have heard today, Brand USA has recently launched its first global advertising campaign. We are confident that our nation’s travel promotion efforts will succeed and we urge the Committee to support Brand USA’s efforts over the next several years. With your support, America will reap the economic rewards for years to come.

Visa Issuance

In May 2011, the U.S. Travel Association released a comprehensive report which studied the effects of the visa process on international travel to the U.S. and found that delays, cost, access and unpredictability in the U.S. visa system served as a barrier for potential visitors and contributed to our lost market share.

The surge in demand for U.S. visas from China serves as a good case study of the problems that can hamper the U.S. visa system. As demand for U.S. visas began to grow, a backlog in visa applications at U.S. consulates in China also increased. In 2010, the State Department’s Inspector General cite crowded and cramped waiting rooms at U.S. consulates and visa processing waiting periods of up to 90 days. In fact, the IG warned that “the mission’s efforts to improve existing consular procedures require immediate, high-level attention...”.

Working in partnership with the travel industry over the last year, the State Department has undertaken several constructive steps in China, most importantly dedicating more personnel and resources toward visa adjudication. These actions have addressed the long delays in visa issuance and allowed visas to be processed within a two week timeframe.

Over the next decade, economists predict that long-haul travel from China will continue to rise - increasing by 151 percent. We believe Congress can play a key role in ensuring that the visa reforms the State Department has implemented in China are sustained over time and that the United States is able to pursue a larger share of this travel growth without creating significant visa processing backlogs. Furthermore, reforms should be implemented in as needed around the world. Therefore, we urge you to work with the travel community in support of the following recommendations:

- Codifying a 10-day visa processing standard for applications;

- Directing the State Department to tie visa personnel staffing levels to meeting a 10-day visa processing standard;
- Requiring yearly reports from the State Department on the short, mid and long-term plan to meet visa demand from China efficiently;
- Granting Chinese nationals multi-year leisure and business visas; and
- Directing the State Department to pilot the use of secure videoconferencing technology to interview visa applicants remotely.

Visa Waiver Program

The most economical and powerful step the U.S. government can take to improve the performance and competitiveness of the visa processing system while maintaining national security is to sign bilateral visa-free travel agreements with new countries as part of the Visa Waiver Program (VWP). Visitors from VWP countries played a leading role in making travel the top U.S. service export. VWP countries are the largest source of inbound overseas travel to the United States. According to Commerce Department data, over 18 million VWP visitors came to the United States in 2011, comprising 65 percent of all visitors. While here, they spent more than \$69 billion, supporting 525,000 American jobs along with \$12.8 billion in payroll, and generating \$10.5 billion in government tax revenues.

Countries in the VWP are required to adopt strict security measures, strong travel document standards, and enhanced information sharing agreements with the U.S. In addition, each traveler from a participating country must also obtain pre-clearance to board a flight to the U.S. through the Electronic System Travel Authorization (ESTA).

Recently, the U.S. Travel Association studied the economic impact of including the 11 likely candidates for VWP status: Argentina, Brazil, Bulgaria, Chile, Croatia, Israel, Panama, Poland, Romania, Taiwan and Uruguay. Last year, three million visitors from these countries spent \$14 billion in the United States, directly supporting 104,300 jobs in the American travel industry. If all 11 were added to the VWP, US Travel found that the growth rate of visitation from these countries would nearly double in their first year. If that first year were 2012, VWP status would generate an additional 482,000 arrivals and \$5.1 billion more in total revenue. The 32,200 additional U.S. jobs created this year would be eight times more than employment at the largest auto assembly plant in Michigan.

Every potential new VWP visitor from Brazil, Poland and other key markets constitutes, in effect, a walking economic stimulus package. And by strengthening our alliances and enhancing our nation's global image, the VWP has helped to keep us safer. That is why we strongly support bipartisan legislation (H.R.3855 & H.R.3341) introduced earlier this congressional session which would reform the criteria for being admitted to the VWP, with the intent to accelerate VWP expansion. We urge Congress to make passage of this legislation a top priority this year.

Efficient and Welcoming Entry Experience

In order to gain a larger share of the global travel market it is also essential that the United States process visitors securely and efficiently through our nation's airports. Today, a shortage of inspection agents and inefficient staffing allocation decisions produce excessive delays in processing international passengers at some of this nation's highest volume international airports. Some international airports have reported to U.S. Travel that passengers arriving from long flights

experience delays of up to three hours at U.S. customs processing facilities. These inefficiencies in our entry system create negative perception among travelers that have an impact on their interest in visiting the United States again.

We urge you to join us in supporting the following recommendations that will result in a more effective and efficient entry process for millions of visitors and produce a more welcoming experience.

- ❖ **Efficient Passenger Screening**
 - Direct CBP to establish a passenger wait time goal of 20 minutes per individual at international airports, and use it as a performance measure to help CBP assess whether staffing levels are sufficient to address passenger volume.
- ❖ **Airport Staffing Levels**
 - Dedicate enough CBP officers to the nation's top 20 highest volume international airports to meet the 20 minute passenger screening goal.
 - Ensure that the \$110 million in annual passenger fee funding resulting from the elimination of the COBRA fee exemptions from Canadian, Caribbean, and Mexican air and sea travelers be reinvested into CBP staffing and facilitation at air and sea ports of entry.
- ❖ **Implementation of a Customer Service Improvement Strategy**
 - Develop comprehensive CBP customer service reports using the data submitted by passengers through CBP's comment cards, and include the reports in the *Air Travel Consumer Report* issued by Department of Transportation's Office of Aviation Enforcement and Proceedings (OAEP).
 - Work with the private sector to review existing customer service training and, where appropriate, develop new training techniques.
 - Establish metrics to measure the customer service performance of CBP officers at airports, and provide rewards for officers that demonstrate exceptional performance.
 - Direct CBP officers to greet passengers arriving at primary inspections with "Welcome to the United States" or "Welcome home."

FACILITATING AND GROWING DOMESTIC TRAVEL

Aviation Security

Domestic travel is also a vital part of the U.S. economic recovery and the air travel process in particular, has a significant impact on traveler's interest in conducting both leisure and business trips. Inefficiencies in the aviation security screening process impose a staggering cost on the economy, hampering job creation and economic growth. And the data suggests that the problem is getting worse.

The FAA projects that air passenger travel will almost double in the next 20 years to 1.2 billion passengers per year. Our industry is concerned that this substantial increase will only lead to longer lines and wait-times at security checkpoints.

To understand the potential magnitude of problems in the future, it is helpful to examine the costs imposed by the current system. A 2010 survey conducted by Consensus Research found that travelers would take two to three more flights per year if the hassles in security screening were

reduced. These additional flights would add nearly \$85 billion in consumer spending back into local hotels, restaurants, convention centers and other travel business, and help support 900,000 jobs.

Similar losses in the future can be avoided if TSA becomes a more risk-based, intelligence-driven and cost-effective organization. In 2011, TSA launched Pre✓™, a trusted traveler a pilot program that provides expedited screening for passengers willing to volunteer more personal information. Pre✓™ is an essential first step in creating a more efficient and secure screening process.

Today, roughly 400,000 Americans are enrolled in Pre✓™, which is a small number compared to the 2 million people who fly each day. The future success of the program will depend on the operational efficiencies and cost-savings realized when more low-risk travelers use the program on a frequent basis.

Fortunately, there are many innovative ways to bolster the Pre✓™ program. TSA and the Department of Homeland Security (DHS) can increase participation in Pre✓™ by expanding CBP's trusted traveler programs and allowing travelers to qualify by aggregating their frequent flier miles across multiple airlines. Additionally, once a passenger is enrolled in the program, Pre✓™ passengers should be immediately granted access to any Pre✓™ lane.

There is also an opportunity for TSA to partner with private sector companies to conduct security threat assessments and risk-based screening. Such a model would quickly boost enrollment in Pre✓™ because the private sector would be able to increase enrollment more broadly.

Infrastructure

Future problems in aviation – and therefore U.S. competitiveness – are not limited to inefficient security screening. The increase in air travel projected by the FAA will require substantially more resources to support the safety, security and infrastructure needs of the entire system. Yet commercial airports already face severe restrictions in their ability to raise revenue for critical infrastructure projects and other services. Additionally, airline ticket taxes that help pay for these services average over 17 percent – higher than taxes on alcohol, tobacco and guns.² Without comprehensive reform in how we finance aviation improvements and service, the system will face devastating and dangerous cutbacks over the next 20 years.

These problems are only exacerbated by the daunting needs of our nation's transportation infrastructure. The FAA rightly states that their forecast underscores the need to implement the Next Generation Air Transportation System (NextGen) – which could increase system capacity by one-third, along with other improvements in efficiency, cost-savings, and environmental benefits.³ Even so, the roll out of NextGen remains mired by delays and uncertainties in funding.

An inefficient and antiquated aviation system will prevent the U.S. from competing in and connecting to a global economy. Without a national policy on air travel that addresses financing, security, energy and infrastructure, the U.S. will not be able handle the projected increase in air travelers.

² Airlines for America, <http://airlines.org/Pages/Taxes-and-Fees.aspx>

³ FAA Press Release, Airline Passenger Travel to Double in Nearly Two Decades, March 8, 2012.

Government Meetings and Conferences

From domestic to international travel, the actions of the federal government impact every segment of our industry. In recent weeks, Members of Congress and the Administration widely criticized federal travel for meetings and conferences following the release of a report by the General Services Administration's (GSA's) Inspector General (IG).

The findings of the GSA IG report clearly detail instances of inappropriate spending and poor decision making on the part of federal employees at GSA -- and we strongly oppose these actions. But we are greatly concerned about proposals in Congress to make across-the-board cuts to government travel and to severally restrict the ability of federal agencies to hold meetings and conferences. The conference-related amendments included in the "Digital Accountability and Transparency Act" or DATA Act (H.R. 2146) and the "21st Century Postal Service Act" (S. 1789) are well intentioned. But several provisions are too broad and would unnecessarily restrict federal agencies from participating in and holding legitimate conferences that provide immense value to the taxpayer and take place within the existing travel regulations.

On Friday, May 11, 2012, the Office of Management and Budget (OMB) issued guidance to federal agencies that reduces their travel budgets by 30 percent, increases oversight and transparency of government conferences, and sets spending caps for conference events. While these proposal are not perfect, we believe OMB's actions address the underlying concerns raised by the October 2010 GSA conference and additional Congressional action is not needed. Going forward, we welcome the opportunity to work with Congress and Administration to ensure that legitimate federal conferences are not unnecessarily cancelled and that responsible federal travel can still take place.

CLOSING

Maximizing job creation within the travel industry entails increasing our nation's share of the global travel market and improving and promoting domestic leisure and business travel. The stakes are high, but with the right policies, we should be successful. Thank you for your ongoing interest in the role that travel can play in the nation's economic recovery. Our industry is eager to continue to work closely with you to maintain a robust travel community.

Mrs. BONO MACK. Ms. Harrison, you are recognized for 5 minutes.

STATEMENT OF DEBORAH MARRIOTT HARRISON

Ms. HARRISON. Good morning, Chairman Bono Mack, Ranking Member Butterfield, and members of the subcommittee. I am Debbie Marriott Harrison, senior vice president for government affairs for Marriott International, and I am happy to be here today. I am proud to be able to report largely positive news from Marriott and the travel industry on this subject.

I initially want to second the recommendations of my colleagues and friends from U.S. Travel Association and Brand USA that are here with me on the panel today, and thank them for being here. Marriott fully supports the work of these organizations.

My company is celebrating its 85th anniversary this year. Marriott has humble roots that run deep here in Washington, DC. In 1927, my grandparents opened a nine-stool root beer stand on 14th Street after moving to Washington from Utah. Thirty years later, they opened their first hotel near Reagan National Airport. My father stepped down in April as the CEO after 60 years of service. He oversaw Marriott's evolution into one of the world's leading hospitality companies. We now have over 3,700 hotels worldwide, with 18 brands in 73 different countries.

Marriott is proud to be expanding and doing its part to put Americans back to work. We will have 330,000 associates around the globe by the end of this year, with 212,000 of those positions here in the United States. I am happy to report that we expect to hire some 50,000 people this year in this country. Many of those jobs will come from new hotel construction. For every five hotel rooms that we add to our system, we create roughly three jobs.

One of Marriott's core values is to take care of our people and cross-train and promote from within. We offer opportunities to a broad swath of U.S. workers, particularly women, minorities, and immigrants, and provide meaningful career paths with incredible upward mobility. Over half of our general managers rose from the hourly ranks, and they have worked for us for an average of 24 years.

Congress can help us create additional quality jobs by promoting the growth of travel and tourism. In 2011, we were pleased to see our business rebound, but there is still a lot more work to be done. We are trying to capitalize on the growth of middle classes in emerging markets like Brazil, India, and China.

Marriott is ready to offer a warm welcome to guests from around the world. We have 3,100 domestic hotels and want the U.S. to capture the greatest possible share of the growing global travel market. Brand USA has begun the marketing campaign that will accomplish that, and I want to offer my thanks to you, Madam Chair, and to several of your colleagues on the subcommittee for your votes supporting passage of the Travel Promotion Act that led to the creation of Brand USA.

Marriott has kept its promise to support this public-private partnership. We have made a million-dollar cash investment in the organization, supported by a \$2 million pledge of in-kind contributions. We see great potential in Brand USA's marketing work. We

would appreciate your continued support of this important campaign.

We also need to ensure that international travelers are able to enter the U.S. as easily and quickly as security allows. We were thrilled to see the administration unveil its National Travel and Tourism Strategy last week. The strategy contains a number of concrete proposals to achieve our international visitation goals.

We still need Congress to bolster the administration's efforts. Marriott urges members of the subcommittee to support passage of reforms to our visa and entry process. Bills being championed by Congressmen Heck and Quigley in particular offer an easy means to increase the number of inbound international visitors and increase domestic economic activity. In fact, just yesterday the JOLT Act was introduced into the House that combines these two bills and is a companion bill to the House and the Senate. We would ask for your support for the JOLT Act.

Finally, with respect to domestic travel, I wanted to echo some of the comments made by my colleague Geoff Freeman. As we all know, the GSA has been scrutinized for the over-the-top meeting that they had in Vegas in 2010. We understand and agree with the expectation of the American public that nonessential spending be cut from Federal agency travel budgets. Marriott urges Congress to take appropriate, responsible actions to accomplish that task.

Inflammatory and reactionary rhetoric about wasteful Federal employee trips has prompted the cancellation of numerous legitimate agency meetings. This hurts our business. In the few weeks since multiple congressional committees excoriated the GSA, Marriott has seen approximately \$4 million in cancellations of signed contracts with agencies from across the Federal spectrum. The number of cancellations is growing daily. Several examples of these cancellations are in my written testimony. The loss in government business may translate to lost jobs at Marriott hotels.

Congress and the administration should pursue policies that preserve the ability of Federal agencies to hold appropriate meetings, while strengthening oversight to ensure that those events are conducted according to the rules. Marriott wants to continue to compete for the opportunity to provide Federal agencies with quality meeting spaces at a good value.

I will conclude by saying that the services Marriott and its employees provide cannot be automated or shipped overseas. As a result, the growth of our company and industry represents a major opportunity to boost domestic employment. We hope Congress will see the value in seizing opportunities to boost travel and tourism in the United States as part of its broader agenda to put Americans back to work.

Again, thank you for this opportunity to share Marriott's job-creation strategy with the subcommittee, and I look forward to answering your questions.

Mrs. BONO MACK. Thank you, Ms. Harrison.

[The prepared statement of Ms. Harrison follows:]



Testimony of
Deborah Marriott Harrison
Senior Vice President, Government Affairs
Marriott International, Inc.
Bethesda, Maryland

Before the
United States House of Representatives
Energy and Commerce Committee
Subcommittee on Commerce, Manufacturing and Trade

Where the Jobs Are: Bringing Tourism to America

May 16, 2012

Chairman Bono Mack, Ranking Member Butterfield and Members of the Subcommittee:

I am Debbie Marriott Harrison, Senior Vice President for Government Affairs at Marriott International. Thank you for the opportunity to testify today on behalf of our company in connection with the Subcommittee's ongoing hearings on job creation. I am proud to be able to report largely positive news from Marriott and the travel industry on this subject.

This year, Marriott is celebrating its 85th anniversary. Our company has humble roots that run deep here in the District of Columbia. In 1927, my grandparents, J.W. and Alice Marriott, opened a nine-seat root beer stand on 14th Street Northwest after moving to Washington from Utah. Thirty years later, after growing that small operation into the Hot Shoppes restaurant chain, they opened their first hotel near Hoover Field, now Reagan National Airport, just across the 14th Street Bridge.

My father, who stepped down in April as our CEO after 60 years of service, oversaw our evolution into one of the world's leading hospitality companies. We have taken the core values that made the Hot Shoppes a special place and are applying them to a business now focused exclusively on the management of hotels. Our system includes over 3700 hotels worldwide operating under 18 brands, including the Ritz-Carlton, Renaissance, Courtyard and iconic Marriott lines. We operate in all 50 states, and I suspect in each of your respective districts, as well as 73 other countries and territories around the globe.

Our business has come to be divided roughly equally between hotels that Marriott manages directly – typically our larger, full-service properties – and hotels that are managed by franchise partners operating pursuant to our strenuous service standards. Marriott's earnings are derived from agreements with hotel owners that primarily reward the delivery of solid hotel occupancy rates and revenues measured per available room.

Marriott's associates are integral to our efforts to provide value to our customers, owners and shareholders. We invest in them accordingly, and our corporate mission to "Open Doors to a World of Opportunity" applies to both guests and employees with equal force. Marriott is proud to be doing its part to put Americans back to work, and my hope today is to encourage this Subcommittee to further consider and promote federal policies that will enable us to continue providing meaningful economic opportunities to an ever-growing workforce.

Marriott's Workforce Expansion

Marriott's continuous expansion has brought our total global workforce to approximately 300,000 associates, and we are on track to reach 330,000 by the end of this year. In the United States, that figure will stand at 212,000.

I am happy to report to the Subcommittee that in the U.S. alone we expect to hire some 50,000 people this year. Most of those hires will be the result of retirements and turnover, but – in contrast to the downturn of 2009-2010 – we are once again able to fill those positions as soon

as they come open. Approximately 4000 of our 50,000 hires will be for positions that are entirely new and the result of hotel construction. By the end of 2014, our current forecasts call for the addition of another 14,000 domestic positions in our system due to expansion.

Marriott takes pride in the fact that we provide job opportunities that are satisfying, dynamic and a springboard for advancement. We like to think this is a byproduct of our constant adherence to my grandfather's advice to "Take care of Marriott employees so that they will take care of our customers." We refuse to simply leave people in low-wage, low-skill jobs, because associates who see a path upward from entry-level positions are more invested in their jobs and in serving customers well.

We therefore cross-train and promote from within whenever possible, strive to provide the best benefits packages available, and employ a workforce that is over 90% full-time. Over half of our general managers – who run multi-million dollar annual operations – rose to their positions from the ranks of hourly employees. Our general managers' resulting loyalty is evidenced by the fact that they have worked for Marriott for an average of 24 years, whereas our competitors' have an average of four years of service.

We have developed an award winning English-language training program ("Sed de Saber") and are currently exploring partnerships with non-profits to develop a citizenship and naturalization assistance program for our substantial number of immigrant employees. Our "World of Opportunity" initiative is also helping young people from disadvantaged backgrounds reach their full potential by providing life and vocational skills.

Accolades for our human resource policies come from a range of sources that reflect the awe-inspiring diversity of our associates. We have been ranked as one of *Working Mother* magazine's 100 Best Companies for over 20 years. *Latina Style* has ranked us as one of its top companies for Latinas for fourteen straight years. *Black Enterprise* has recognized Marriott as one of its 40 Best Companies for Diversity for seven straight years. We have received top honors from the Human Rights Campaign for our provision of complete benefit packages to our LGBT employees. The National Association for Female Executives has ranked us high on its list of the Top 50 Companies for Women, which recognizes organizations whose policies promote the advancement of women.

In short, Marriott offers solid employment opportunities to a broad swath of the U.S. workforce, and we have helped thousands climb the economic ladder by providing meaningful career paths. We look forward to building upon these successes and further increasing hiring as the global economic recovery progresses. Congress can assist us in this endeavor by addressing the following issues.

Opportunity for Growth: Welcoming International Travelers to our U.S. Hotels

In 2011, we were pleased to see business travel rebound, our meetings segment show signs of strength, and growth in leisure travel. Group travel has returned to 2007 levels. Each of

Marriott's 18 lodging brands – covering the full range of price-points – benefited from an overall increase in business.

We are capitalizing on growing domestic economic momentum as well as the growth of middle classes in emerging markets like Brazil, India and China. In our view, we stand on the brink of a "Golden Age of Travel." The pool of travelers worldwide has experienced exponential growth in recent years, and the total number of international trips taken will surpass 1 billion in 2012. Marriott is ready to offer a warm welcome to guests of all nationalities in every market where we operate, with special attention to linguistic, architectural, culinary and cultural details. For example, our New York Marriott Marquis hotel has adjusted its menus, signage and staff language training to better host a recent influx of Chinese travelers.¹

Here in Washington, our company is engaged in promoting policy initiatives that will ensure the United States – and by extension, our 3100 domestic hotels – receives the greatest possible share of this growing global travel market. I second the recommendations of my colleagues and friends from the U.S. Travel Association and Brand USA that are with me on the panel today, and Marriott fully supports the work of their organizations.

We frequently cite the rule of thumb established by the U.S. Travel Association's research that one American job is created for every 35 international visitors entering this country. At Marriott, for every five full-service hotel rooms we add to our system, we create roughly 3 jobs. If Congress supports the following initiatives to bring international travelers to our doors, Marriott will eagerly add new positions in response to their demand for our services.

- *Marriott is Invested in Building Brand USA*

Marriott's work in promoting inbound international travel to the U.S. began in earnest with our support for the Travel Promotion Act (TPA), signed into law in 2010. I want to thank you, Chairman Bono Mack and Ranking Member Butterfield, as well as a number of other Members of the Subcommittee, for your votes supporting passage of the TPA.

Marriott has kept its promise to support the public-private partnership created by the TPA, which has grown into Brand USA. We have made a \$1 million cash investment in the organization, supported by a \$2 million pledge of in-kind contributions. We were pleased to see that our investments in Brand USA helped free up matching funds raised from fees levied on travelers entering the United States from Visa Waiver Program countries.

We see great potential in Brand USA's marketing work, which launched in earnest last month. We would appreciate the continued support of Members of the Subcommittee for this

¹ See B. De Lollis, *NYC's Marriott Marquis ready for Chinese Visitors*, USA TODAY, February 5, 2012 (<http://travel.usatoday.com/hotels/post/2012/02/marriott-marquis-time-square-ready-for-chinese-visitors-/617688/1>); R. Yu, *Chinese Travelers are seeing the USA in record numbers*, USA TODAY, February 2, 2012 (<http://travel.usatoday.com/flights/story/2012-01-31/Chinese-travelers-are-seeing-the-USA-in-record-numbers/52905866/1?csp=tf>).

important campaign – which poses no expense to taxpayers – to make sure the United States is the top tourist destination in the world. Congress needs to celebrate Brand USA’s efforts while also protecting its revenue stream.

- *Marriott’s Prospective International Guests Demand an Efficient U.S. Visa Process*

Having laid the groundwork for enticing additional travelers to come to the U.S., we now need to ensure that those travelers are able to enter the country as easily and quickly as security protocols will permit. Marriott’s priority, of course, is to entice international visitors to our hotels. For that to occur, we need for Congress to ensure the Departments of State and Homeland Security have sufficient resources and impetus to ensure international visitors can secure a business or tourist visa and pass through our ports of entry in a timely fashion.

We were thrilled to see President Obama put forth some concrete proposals to achieve this goal during his January unveiling of an Executive Order related to travel promotion.² As required by the President’s order, the Administration released its National Travel and Tourism Strategy just last week. Among other things, the Strategy calls for increased interagency cooperation in efforts to streamline our visa application and entry processes. The Administration understands, for example, that our company is losing out on prospective Brazilian and Chinese customers when they go elsewhere instead of waiting a month or more just to be *interviewed* for a U.S. tourist visa.³

We appreciate the Administration’s work in this space, but need Congress to bolster their efforts. Marriott urges Members of the Subcommittee to support passage of the reforms contained in several bills with broad bipartisan support, including H.R. 959 (Quigley), H.R. 3039 (Heck), and S. 2233 (Schumer/Lee), as an easy means to increase the number of inbound international visitors and increase domestic economic activity.⁴ These bills would enhance and codify many key elements of the Strategy related to international visitation.

Challenge to Growth: Uncertainty about Government Policy

During recent years, Marriott has faced a number of challenges posed by Congressional actions or inactions, as it may be, whose ramifications for our company and industry might not be immediately clear. I appreciate having the opportunity to highlight a few of those challenges so

² See also J. Immelt and K. Chenault, *How We’re Meeting the Job Creation Challenge*, THE WALL STREET JOURNAL, June 13, 2011 (outlining five short-term proposals from the President’s Jobs and Competitiveness Council to hasten job growth, including visa reforms to boost international visitation; available at <http://online.wsj.com/article/SB10001424052702304259304576380323311523538.html>).

³ See S. Reddy, *Lengthy Visa Wait Times Deter Travel to the U.S.*, THE WALL STREET JOURNAL, September 8, 2011 (<http://online.wsj.com/article/SB10001424053111904103404576557021589570928.html>).

⁴ See also J.W. Marriott, Jr., *America Needs More Tourists*, FORTUNE, June 1, 2011 (op-ed; available at <http://management.fortune.cnn.com/2011/06/01/america-needs-more-tourists/>).

that Members of the Subcommittee can more readily understand their impact on our job-creation efforts.

- *Strengthening Oversight of Government Meetings Responsibly*

Earlier this year, the Inspector General of the General Services Administration (GSA) released a report detailing rampant waste of taxpayer funds at a 2010 employee conference. Troublingly, the report described officials' deliberate skirting of federal travel regulations in an effort to sponsor an "over the top" event. These abuses have understandably generated significant attention in the media and among lawmakers.

We understand and agree with the expectation of the American public that non-essential spending be cut from federal agency travel budgets. However, Marriott urges Members of the Subcommittee and Congress to take appropriate, responsible actions to accomplish that task. Unduly inflammatory and reactionary rhetoric about "wasteful" federal employee trips has prompted the cancellation of numerous undoubtedly legitimate agency meetings and conferences that would have provided critical face-to-face interaction. This hurts our business, since we frequently provide the forum for that interaction.

In the few weeks since multiple Congressional committees thoroughly excoriated the GSA, Marriott has seen approximately \$4 million in cancellations of signed contracts with agencies from across the federal spectrum. Our sales associates report that the cancellations are frequently credited to "bad optics" and the current political interest in this subject. The number of cancellations is growing daily, and we anticipate untold lost bookings.

Here are some examples. Last week, the Defense Security Cooperation Agency cancelled a \$197,000 contract for rooms at our Renaissance Hotel in Arlington, Virginia just six days prior to arrival. Despite our competitive package, the agency announced its need to rebook at a hotel with "only two stars" because of "optics."

We received similarly bad news from New Orleans, Louisiana, where the IRS's Office of the Taxpayer Advocate cancelled a \$700,000 "technical training" for its employees scheduled to occur at a Marriott hotel this summer. This was a no-frills contract with no food and beverage. This meeting was to occur in a city still desperate for economic activity and, given that we hear about the undue complexities of our tax code on a daily basis, would seem timely. This cancellation will have major downstream effects for nearby restaurants, outside vendors, and hotels that must absorb a glut of excess room supply in the market.

Finally, we just received word of a massive cancellation by the Department of Defense of a joint Army/Navy science conference at our Orlando Grande Lakes property in Florida. This represents a \$2.1 million loss in revenue for our company. It is worth noting that the package offered by our hotel for this event provided room rates below established *per diem* guidelines.

Taken together, this loss in government business may translate to lost jobs at Marriott hotels.

Congress and the Administration should pursue policies that preserve the ability of federal agencies to hold appropriate meetings, while strengthening oversight to ensure those events are conducted according to the rules. Arbitrary budget cuts and overly restrictive travel policies only undermine agency and worker productivity while preventing useful interaction with private sector professionals, with major ramifications for hospitality companies like ours.

We encourage rigorous scrutiny of government meetings by agency Inspector Generals and their equivalents. At the same time, we need to avoid across-the-board travel budget cuts, inflammatory attacks on “wasteful” trips being taken by diligent federal employees, and the blacklisting of any American cities as government meeting destinations. We ask that you allow Marriott to continue to compete for opportunities to provide federal agencies with quality meeting spaces at a good value.

- *Unpredictable Expirations and Extensions*

Lastly, I would like to briefly mention Marriott’s concern with two programs whose expirations have or will limit our job creation efforts.

First, Marriott’s human resource managers were troubled to see the Work Opportunity Tax Credit (WOTC) expire on December 31 of last year. In 2011, our company used WOTC to hire approximately 1100 individuals across the country. This proven program has allowed our company to hire many associates who faced challenges in the job market and might otherwise have relied exclusively on public assistance programs for income.

Marriott urges the Subcommittee to support an extension of WOTC like that offered by H.R. 2082 (Schock) or similar legislation. H.R. 2082 would provide certainty to our human resource planners by extending WOTC for three years. It would also streamline the eligibility certification process, while expanding the classes of WOTC-eligible job candidates to include unemployed veterans and young people who have dropped out of school. I believe we have a shared interest in getting as many members of these groups into the workforce as possible.

Second, Marriott has had considerable success utilizing the EB-5 Regional Center Immigrant Investor Program to provide much needed capital to finance hotel construction projects. The EB-5 program permits foreign investors to fund job-creating projects, including construction of hotels that will fly the Marriott flag, in exchange for a visa and eventual lawful permanent residency in the U.S. The EB-5 program is presently set to expire on September 30, 2012.

Marriott hotels being built in Portland, Seattle, Milwaukee, Washington, DC and Los Angeles – including hotels that will expand our footprint at the spectacular L.A. Live complex – have all been funded in whole or in part with EB-5 investments. All of these projects are located in Targeted Employment Areas and will result in the creation of thousands of full-time jobs. EB-5 funds are generally leveraged to secure financing that our development partners have otherwise had a difficult time obtaining from banks because of their general reluctance to lend since the downturn.

Marriott urges the Subcommittee and Congress to support the EB-5 program's permanent extension with legislation like S. 642 (Leahy), preferably prior to its imminent expiration to prevent any disruption of development projects in our pipeline.

Conclusion

The services that Marriott and its employees provide cannot be automated or outsourced to workers overseas. As a result, the growth of our company and industry represents a major opportunity to boost domestic employment. We hope Congress will see the value in advancing legislative proposals designed to boost travel and tourism in the United States as part of its broader agenda to put Americans back to work.

Again, thank you for this opportunity to share Marriott's job-creation strategy with the Subcommittee. I look forward to answering your questions.

Mrs. BONO MACK. And, Mr. White, welcome. And you are recognized for 5 minutes.

STATEMENT OF SCOTT WHITE

Mr. WHITE. Thank you. Chairman Bono Mack, Ranking Member Butterfield, and members of the subcommittee, thank you for the opportunity to testify today on our destination, Greater Palm Springs, the oasis in the California desert.

It is an important industry for us. It is the leading industry for our destination, creating over 24,000 jobs, and producing over \$2.1 billion in economic impact. And it was very nice to see the pride everybody has in their different destinations and how they talked so eloquently about the reasons why we should visit their destinations.

Prior to Palm Springs, I spent time in both Phoenix and San Antonio and was able to see firsthand the different dichotomies that happen with international visitation into a destination, and I encourage all of you to work with your State offices or your CVBs to go on the road and take that passion and maybe attend Pow Wow, World Travel Market, ITB and see firsthand what we are competing with on a global basis. We were fortunate this past year to bring some mayors with us to Pow Wow, and I think it opened a lot of eyes. It certainly did help us for our destination to show that we are competing globally.

And for our destination, it really does affect the small business owner. We have over 1,300 partners that work with us on a daily basis to really try to keep their employees gainfully employed and really dedicated to the passion that they have, which is this industry.

We are a seasonal destination, and we really see fluxes between high season and low season. And our low season is the summertime. And summer for us really is an opportunity for international visitation. We see travelers from the U.K., from Germany, from all over the world that come, and they are very interested in our destination because of our national parks, Joshua Tree National Park, Mount San Jacinto State Park. And we encourage you to support and really work with the National Park System to make sure that those parks are fully funded and fully have the opportunity to create the enhancements they have and to grow, because that is a big driver for our destination and many destinations around the country.

We are very fortunate to have a lot of growth in the past year. This first quarter we have seen growth in occupancy of 12 percent. Occupancy is up 6 percent, RevPAR is up 12 percent, ADR is up, and we are starting to see our businesses continue to add jobs back into the destination.

It is vital for us to have this relationship with Brand USA. We do not have the budget, or the resources, or the manpower to reach the emerging markets that we have identified. Our number one markets are Canada, United Kingdom, Germany, Australia, and France; however, we see that there is pent-up demand from China, India, South America, and many other destinations that are interested in our destination, but we cannot communicate to them nor

have the resources to really get that message across about the destination.

And I think we talked a lot today about jobs and the opportunities that it brings not only on the economic impact, but my experience has been when I travel abroad, and we have international visitors that come into our destinations, whether it is the Alamo, at the River Walk, or it is Phoenix going to the Grand Canyon, or for Palm Springs visiting Joshua Tree for their first time, it really breaks down the barriers that the people had about their perceptions of this destination. I can't tell you how many times international travelers would come to the destination with this perception that we are this country that is not welcoming to international visitors, and once they meet our partners, they explore our destination, they have an opportunity to meet with us, have a relationship, develop friends and create these acquaintances that really not only impacts us as a destination, but impacts our entire country.

So we are very excited to be partnering with Brand USA. What it brings beyond marketing, I think, is an opportunity to reinvent people to our destination, reeducate them about the opportunities here. And we have found, and I have found through my experiences working at CVBs, both, again, in Phoenix, San Antonio, and in Palm Springs, is that when we have these opportunities to invite these individuals to our destination, they are not only coming as a consumer to spend money and shop and have a good time, but they are also business owners. They are also looking for opportunities to expand. They are also looking for opportunities to invest. And we are seeing more of that.

So this is a great opportunity and tool for our country, our destination, and for us as a community to really work together to get the message across that we are a vibrant community, we are a welcoming community, and we have a lot to offer.

So the services and support that Greater Palm Springs provides to our partners and community are vital to our destination's economy. We appreciate your time today and opportunity to share our viewpoint. We hope Congress recognizes the importance of tourism in the United States and will support programs that will increase travel and ultimately put more Americans back to work.

Thank you very much.

Mrs. BONO MACK. Thank you, Mr. White.

[The prepared statement of Mr. White follows:]



Testimony of

**Scott White, President & Chief Executive Officer
of the Greater Palm Springs Convention and Visitors Bureau**

On

“Where the Jobs Are: Promoting Tourism to America.”

Before the

**U.S. House of Representatives
Committee on Energy and Commerce
Subcommittee on Commerce, Manufacturing, and Trade**

May 16, 2012

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GREATER PALM SPRINGS CALIFORNIA**INTRODUCTION**

Chairman Bono Mack, Ranking Member Butterfield and Members of the Subcommittee: Thank you for the opportunity to testify today on behalf of our destination, Greater Palm Springs, California. Tourism is the number one industry for our region and we applaud you for holding today's hearing and recognizing the importance of travel. I am the President & CEO of the Greater Palm Springs Convention & Visitors Bureau, we are a Joint Powers Authority, representing eight cities within the County of Riverside. Tourism and Hospitality is the leading industry in Greater Palm Springs, one in every six jobs are tourism related, accounting for over 24,000 jobs. Tourism generates an estimated \$2.1 billion in economic impact.

OVERVIEW

Greater Palm Springs is located in Southern California's desert region, two hours east of Los Angeles. Population is estimated at 448,000 full-time residents and in the winter months, the population grows by an estimated 30-40% with additional part-time residents. The destination offers more than 200 hotels with over 18,000 hotel rooms.

Annual hotel occupancy for the destination is increasing. Reported occupancy rates were 51% in 2010, 55% in 2011. In First Quarter 2012, occupancy was at 69%, more than 6% over the same period in 2011. Additionally, Revenue Per Available Room (RevPAR) has increased more than 12% while Average Daily Rate (ADR) has increased over 5%, for the same period.

Air access to the Palm Springs International Airport (PSP) is available via 11 airline carriers, with specific carriers increasing flights and routes during the fall, winter and spring seasons. The Palm Springs International Airport and the Greater Palm Springs CVB worked together to attract additional routes to the destination and in the first quarter of 2012 we were able to increase capacity by 22% more seats equating to a 17% in passenger traffic over the same time last year. In addition, the increased capacity reduced the airfare by 13%, creating a competitive environment that both visitors and residents benefited from.

Meetings and Conventions are critical for our destination. In 2011 the Conventions & Visitors Bureau booked over 150,000 room nights into the destination for future dates, representing 258 groups with over 90,000 delegates and over \$94 million in new direct spending. It is impossible to replace the benefits of face to face networking and the opportunity to learn, develop relationships and grow your business.

As we report strong figures for the first quarter of 2012, our industry remains exposed to many threats that can impact our destination. The economic downturn that began in 2008, as well as the negative repercussions felt throughout the travel industry as the result of the AIG scandal, had as much of an impact on our destination and the small business owners as anywhere else in the nation.

Key attractions that depend on group business from conferences, tradeshow and business trips saw their business decrease by as much as 70%, forcing staff and management reductions and foreclosures.

The Greater Palm Springs CVB represents over 1,300 businesses that depend on tourism either directly or indirectly. The economic downturn exposed the true value of our industry and has brought our local leaders together recognizing the power of travel and the positive impact it has on a community. For many cities the taxes collected from tourism rank as their number one or two source for income.

Tourism allows the cities to provide services and amenities without having to raise taxes. As a regional destination it is critical that we diversify our sources of visitation.

The destination is dramatically impacted by seasonal temperatures that impact the area's population, hotel occupancy and number of flights. Our high season is January through May, when our warm winter climate attracts visitors and second home owners from the northern United States and Canada.

During our off season, June – September occupancy and average daily rates decrease significantly forcing many employers to reduce the number of jobs and negatively impacting local governments.

INTERNATIONAL OPPORTUNITY

We recognize international visitation as an opportunity for our destination to diversify and grow an important segment positively impact our off-season.

The Travel Promotion Act and the creation of Brand USA are vital for the United States to be competitive and vital for a regional destination such as ours to effectively compete. We do not have the budget or resources to effectively market on a global basis.

The Greater Palm Springs CVB is dependent on organizations such as Visit California and now Brand USA to effectively reach the international consumer and educate them on the benefits of visiting our destination. International visitors stay longer, spend more money and become strong advocates for our destination and our country.

We currently target international visitors through receptive operators, tour operators and wholesale operators.

Currently our top international countries are:

1. Canada
2. United Kingdom
3. Germany
4. Australia
5. France

Direct impact is difficult to measure, as many international visitors will fly into gateway destinations such as Los Angeles and San Francisco and will drive the entire state, seeking the authentic California experience, like Joshua Tree National Park which attracts 1.2 million visitors annually. Our state park, Mount San Jacinto attracts over 450,000 visitors and is available via the Palm Springs Aerial Tramway, featuring the World's Largest Rotating Tramcar; Visitors travel to an elevation of 8,500 feet in a matter of 10 minutes, taking them from the desert floor to a pristine wilderness with more than 50 miles of hiking trails.

It is impossible with our budget and resources to share this experience with the international consumer on a broad platform and influence the traveler to stay longer or plan a return visit.

We feel the new Brand USA campaign will enable Greater Palm Springs to target new destinations and grow our economy. Emerging markets for our destination include Japan, China, India and South America. The primary travel time frames for international visitation is April – September, which is also the time period when most major meetings and conventions do not meet. It is our off-season and greatest opportunity to add jobs, grow tax revenues and positively impact our community.

CONCLUSION

The services and support that the Greater Palm Springs CVB provides to our partners and community are vital to keep our destination economy healthy and vibrant. We appreciate your time today and the opportunity to share our view point. We hope Congress recognizes the importance of tourism in the United States and will support programs that will increase travel and ultimately put more Americans back to work.

Mrs. BONO MACK. Dr. Long, you are recognized for 5 minutes.

STATEMENT OF PATRICK T. LONG

Mr. LONG. Well, I do believe that the Travel Channel missed a great opportunity today not being here to film all of your respective comments about your States.

Chairman Bono Mack, Ranking Member Butterfield, and members of the committee, I do appreciate sincerely the opportunity to make comments today.

My name is Pat Long. I am the founding director of the Center for Sustainable Tourism, now located at East Carolina University. We are the only such research center in the country, and we now host the first and only interdisciplinary Masters of Science graduate degree, a master of science in sustainable tourism.

I want to acknowledge and compliment all of those who have worked so hard to develop this national travel and tourism strategy, particularly John Bryson and Ken Salazar. And I am speaking today on the subject of sustainability in tourism, and that means balancing profitability with social and environmental responsibility. And I would also like to direct some comments to rural tourism as well.

Let me begin my comments by stating that there is nothing more unsustainable than a bankrupt business; nor is there a tourism destination that I am aware of in the country that attracts visitors with polluted water and air, with a trash-infested beach or mountain, that has poor stewardship of its environment or natural resources, has offensive or no hospitality, that destroys its community's sense of place, and that treats its employees and the residents of the region with disdain.

The move to sustainability in our Nation's tourism industry recognizes that economic gain and job growth quickly go away if the tourism product is not protected. Thus, I offer you a working definition of sustainable tourism. It should contribute to a balanced and healthy economy by generating tourism jobs, revenues, and taxes, while protecting and enhancing the destination's social, historical, cultural, built, and natural resources for the enjoyment of both residents and visitors.

Why do companies, why do destinations want sustainable tourism? Well, it decreases their costs, it improves their profits, creates greater brand recognition, enhances their reputation, increases market share, increases employee loyalty and cost savings, contributes to the overall well-being of the community, and improves relationships or meets regulations with government entities.

Now, I understand that jobs are paramount in the thinking of many of us, but tourism will not be considered an acceptable rural economic development strategy if it does not serve the needs of local residents in both preserving and honoring what is held most dear, and that is their community and those elements and components that contribute to their sense of place.

For just a moment I would like to have you think about the opportunity of hosting a substantial number of travelers from Europe, but these travelers want to come to your State because they would like to have a sustainable travel experience. Now, that means they want to have a green team, but no greenwashing. They want green

accommodations built to the highest standards of green building. They want locally grown foods, organic foods, foods that are palatable to those that have intolerance to certain food types. They want tour operators who provide educational and responsible nature-based, cultural and historic experiences. And they want to travel through rural regions or destinations, places with character and places with a sense of place.

Now, if that question was directed to Congressman Butterfield about North Carolina, I suspect he and his staff would note the Proximity Hotel. That is the Nation's first LEED-certified at the platinum level property in the United States. It has cut its energy use by 40 percent, its water use by 30 percent. Its elevator, when it descends, generates energy that feeds back into the system. It has over 100 solar panels on its rooftop.

Their staff would talk to you about Mother Earth Brewery and the Chef and Farmer in Kinston. Chef and Farmer is a farm-to-table food property, a high-end restaurant. Mother Earth Brewery is what it is, and it is one of the most attracting entities to the town of Kinston. We have the Roanoke River Partners. We have got Beaufort, which is the coolest small town in America, and currently working with the center to become the Nation's first fully carbon-neutral, sustainable rural community here in our country.

In summary, I just want to say that I think sustainability should be an ethic and a value with all aspects of the tourism industry, and should, in fact, be reflected within our national tourism strategy. All of the Federal agencies represented on the interagency council have some type of sustainable initiatives and/or sustainability office.

And finally, rural communities throughout the country, in addition to our gateway communities, should be encouraged to plan thoroughly to effectively use their history, culture, and natural resources to develop a tourism industry that is acceptable to their community.

My thanks.

Mrs. BONO MACK. Thank you, Dr. Long.

[The prepared statement of Mr. Long follows:]

STATEMENT OF
PATRICK T. LONG, ED.D.
DIRECTOR, CENTER FOR SUSTAINABLE TOURISM
DIVISION OF RESEARCH AND GRADUATE STUDIES
EAST CAROLINA UNIVERSITY
GREENVILLE, NORTH CAROLINA

BEFORE THE SUBCOMMITTEE ON COMMERCE, MANUFACTURING AND
TRADE
COMMITTEE ON ENERGY AND COMMERCE
U.S. HOUSE OF REPRESENTATIVES

MAY 16, 2012

Sustainability in Tourism
“Balancing Profitability and Social and Environmental Responsibility”

Highlights

- Sustainability should be an ethic embedded in all policies and activities of the U.S. tourism industry. Three effective venues to affect change within tourism in the use of energy, in waste and water management and in how visitors interact with host residents, are through business operations, public policy and personal traveler behaviors.
- Tourism companies typically are motivated to adopt sustainable strategies in order to 1) decrease costs/improve profits; 2) create greater brand recognition; 3) enhance reputation; 4) increase market share; 5) increase employee loyalty and cost savings; 6) contribute to the well-being of the community; and, 7) improve relationships/meet regulations with governmental entities.
- Successful rural tourism communities are finding that beauty pays, that sustainable tourism provides more benefits than mass-market tourism, that retaining community character is a key to economic success, and that thoughtful management of public resources and well-planned development can help prosperity occur.
- To develop a tourism industry that is both successful and sustainable requires careful consideration of five main components. These components include: (1) *tourism resources*, (2) *traveler services*, (3) *infrastructure*, (4) *tourist markets*, and (5) the concerted effort to accommodate the needs and expectations of the *host community*.
- Sustainable tourism development places great emphasis on identifying, analyzing, and enhancing the characteristics and processes that give destinations a unique character. Such character can serve as the foundation for both an improved resident assessment of quality of living as well as an enhanced economy by attracting visitors and their expenditures.
- Although jobs are paramount in the thinking of many, tourism will not be considered an acceptable economic development strategy, if it does not serve the needs of local residents in preserving and honoring what is held most dear—and that is their “community” and those elements and components that contribute to their sense of place.

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MAY 16, 2012

“Where the Jobs Are: Promoting Tourism to America.”

Chairman Bono Mack, Ranking Member Butterfield, and members of the subcommittee, thank you for the opportunity to provide comments today.

I am Patrick Long, Founding Director of the Center for Sustainable Tourism previously located at the University of Colorado at Boulder and now located at East Carolina University, Greenville, North Carolina. We are the only such research Center in the United States and host the nation’s only interdisciplinary graduate degree program in sustainable tourism. I am also a past chair and past president of the National Rural Tourism Foundation (NRTF) authorized by Congress under the Tourism Policy and Export Promotion Act of 1992.

I am speaking today to the topic of **Sustainability in Tourism--Balancing Profitability and Social and Environmental Responsibility**. Let me start my comments noting there is nothing more unsustainable than a bankrupted business! Nor is there a tourism destination in the world that attracts visitors with its polluted water or air, with a trash infested beach or mountain, or that features poor stewardship of its natural resources, that has offensive or no hospitality, that destroys its community sense of place and that treats its employees and the residents of the region with disdain. One question I frequently ask those I speak to is “What are we going to rename Glacier National Park now that only 23 of the original 150 plus glaciers are left.” This move to sustainability in our tourism industry recognizes that economic gain and job growth quickly goes away if the tourism product is not protected—this sustainability is of particular importance to our rural communities rich in tradition, heritage, culture and natural environment.

Thus, I offer you this working definition of **Sustainable Tourism**: *Sustainable tourism should contribute to a balanced and healthy economy by generating tourism-related jobs, revenues, and taxes while protecting and enhancing the destination’s social, historical, cultural, built, and natural resources, for the enjoyment of both residents and visitors.*

There is not a sector of the tourism industry today whether accommodations, transportation, public lands, tour operators, the cruise line or ski industries, that is not embracing sustainable practices in an effort to save money, increase profits, or simply because it is in the best interests of the local, national and world environment. In fact, I would like to note that Marriott International, Inc., also testifying today stated in its Sustainability Report Update 2010 that: "As global travel increases, Marriott has an obligation to ease our business impact on the natural environment. Because we strive to operate our hotels more efficiently, we are committed to offering our communities an opportunity for a better and more sustainable future. Their stated environmental goals are to:

- Further reduce energy and water consumption by 25 percent per available room by 2017;
- Create green construction standards for hotel developers;
- Green our multibillion dollar supply chain;
- Educate associates and guests to support the environment;
- Invest in innovative conservation initiatives including rainforest protection and water conservation."

I would also like to note Madam Chair, that Palm Desert has been identified as a city dedicated to eco-friendly design and initiatives. The city is leading the way in several key environmental areas including energy efficiency, recycling, water conservation and sustainable development and was recently named one of the top five cities on the leading edge of energy efficiencies in the United States by the Natural Resources Defense Council. I have to assume that this is spilling over into the many and varied products of the City's travel and tourism industry.

Probably the three most powerful ways to affect change within tourism are through business operations, public policy and personal traveler behaviors. Tourism companies typically are motivated to adopt sustainable strategies in order to 1) decrease costs/improve profits; 2) create greater brand recognition; 3) enhance reputation; 4) increase market share; 5) increase

employee loyalty and cost savings; 6) contribute to the well-being of the community; and, 7) improve relationships/meet regulations with governmental entities.

The following action areas provide opportunities for engaging in sustainable practices in tourism:

1. **Greenhouse Gas Emissions Management and Reduction.** Air and ground transportation alone are two of the largest contributors of greenhouse gas emissions effecting global climate change. By decreasing greenhouse gas emissions you can reduce global warming and promote energy independence from foreign non-renewable sources.
2. **Solid Waste Management, Reduction, Reuse and Recycling.** By minimizing the amount of solid waste that goes to landfills and incinerators you can reduce negative environmental impacts. Most importantly, minimizing waste will limit the amount of greenhouse gases that are released throughout a product's life cycle of extraction, manufacturing, distribution, use and disposal.
3. **Freshwater Consumption Reduction.** It's often stated that water will become the most sought-after natural resource of the 21st Century with water scarcity already a reality throughout the world. Reducing your level of water consumption will help to reduce your operating costs while helping to conserve this precious resource.
4. **Wastewater Management.** Conserving water not only means reducing consumption but also maintaining and monitoring the quality of the water we put back into the environment. The purpose of wastewater management is to protect aquatic ecosystems and increase the availability of potable water for human consumption and use.
5. **Energy Efficiency, Conservation and Management.** By investing in renewable energy technologies such as solar, wind, hydro and thermal power and integrating energy efficiency practices into your operations, you can reduce greenhouse gases. Integrating energy efficiency practices into your operations will help conserve natural resources and reduce operational costs by 10-20%, providing a quick return for taking simple actions.
6. **Ecosystem and Biodiversity Conservation.** Business activities undoubtedly affect our ecosystems and biodiversity. Biodiversity provides us with life-sustaining systems such as clean air, productive ecosystems, fresh water and fertile soil. We also depend on healthy, diverse gene pools for our understanding of medicine, science and for our own survival. Ecosystem and biodiversity conservation helps to maintain the delicate ecological balance of the planet.
7. **Land Use Planning and Management.** Establishing land use planning strategies and management plans in conjunction with stakeholders will help to reshape and guide community land use decisions toward sustainability and quality of life, benefiting everyone. Exercising your influence to protect the environment and enhance the well-being of local

communities through land use planning and management will help to ensure your business positively impacts both.

8. **Air Quality Protection and Noise Reduction.** We're all exposed to environmental pollutants and related health risks almost every day of our lives. Though some risks are almost unavoidable, by ensuring that your air is clean and that your noise levels do not adversely affect others you can take action to address the less visible impacts your business may have on its surroundings.
9. **Preserving the Social Norms and Cultures of Local and Indigenous Communities.** Socio-cultural sustainability is achieved when businesses make a concerted effort to work with local people to maintain and protect the social structures as well as the cultures of the local communities where they operate. The best way to find out what impacts you are having on the local community where your business operates is to create opportunities for them to provide you with feedback.
10. **Providing Economic Benefits to Local and Indigenous Communities.** Economic sustainability is achieved in part when businesses actively contribute to the economic well being of the local communities where they operate without adversely affecting other aspects of local people's lives. Tourism has the potential to support community development including providing jobs, educational and professional training opportunities, health care, and environmental stewardship.
11. **Responsible Purchasing.** One of the most powerful ways you and your business can help make the world a better place is to vote with your dollars through responsible purchasing. Responsible purchasing, also known as green purchasing and environmentally preferable purchasing includes buying locally produced products and services from locally owned businesses as well as purchasing products that have a reduced environmental impact.
12. **Training and Education for Employees and Clients.** Educating your customers and training your employees is a critical component to achieving your goals and objectives. Through educating customers and training employees on the current sustainability policies and the related goals and objectives, you are improving your chances for a successful sustainability management system. Both the employees and the clients need to understand what your actions are, why they are important, and how they can positively contribute to your overall sustainability effort.

Specific to rural communities, particularly those adjacent to our Federal recreational lands and often referred to as "Gateway Communities", the importance of sustainable or green actions is paramount. Good stewardship of the region outside a park is just as important as inside it. While the towns and cities of Jackson Hole, Wyoming, Gatlinburg, Tennessee, Seward, Alaska, Bar Harbor, Maine, each has highly varied history, climate, culture and terrain they all

have one important thing in common. Each of them is a close neighbor to a large national park that draws tens of thousands of tourists each year. They are not just important for their growing role in providing food, lodging, transportation and other business support for visitors but also as portals to cherished landscapes such as Yellowstone, Great Smoky Mountains, Kenai Fjords and Acadia National Parks.

You find gateway communities all across America, and they are increasingly popular places in which to live, work, vacation and retire. Communities with natural beauty and a high quality of life are magnets for businesses, working families and retirees. But rapid growth and popularity with visitors can place stress on communities. Here are just two examples:

- Bar Harbor, Maine, the gateway to Acadia National Park, has a population of 5,000 but sees 2.5 million tourists a year, most during the short summer season.
- Rural land near Bozeman, Mont., outside Yellowstone National Park, has gone from \$600 per acre in 1981 to more than \$20,000 an acre today.

Many groups including the Urban Land Institute and The Conservation Fund are working with communities across the country to create strategies that preserve their unique heritage while growing their economy and preserving their appeal. Here's what they've learned:

- The vast majority of residents, new and old, feel a strong attachment to the landscape and the character of their town. They want a healthy economy, but not at the expense of their natural surroundings or community character.
- Elected officials and residents want to find ways to preserve what they love about their communities without saying no to jobs and economic development.
- Across America, there are communities that have found that economic prosperity does not demand degraded surroundings, loss of community character or becoming a congested tourist trap.
- Successful communities are finding that the opposite is true: that beauty pays, that sustainable tourism provides more benefits than mass-market tourism, that retaining community character is a key to economic success, and that thoughtful management of public resources and well-planned development can help prosperity occur.

No matter where your community is located, there are two things to keep in mind. First, special places do not remain that way by accident, and second, whether fast or slow, change will

occur. Tourism has the capacity for substantial economic, environmental and social benefits and costs, and its effects, positive and negative, can be felt even more in tourism-dominated destinations that have not planned effectively.

Generically, to be successful in tourism, a community or region must be able to capture and maintain the interest of potential visitors, provide reasonable access and basic human services, meet needs for safety and security, and demonstrate relatively intense levels of hospitality. To develop a tourism industry that is both successful and sustainable requires careful consideration of five main components¹. These components include: (1) *tourism resources*, (2) *traveler services*, (3) *infrastructure*, (4) *tourist markets*, and (5) the concerted effort to accommodate the needs of the *host community*.

Tourism resources may be defined as natural and man-made, scenic, scientific, cultural, historic, and recreational attractions and amenities, as well as interpretive, educational, and recreational programs and special events that are managed specifically for use by various publics. *Traveler services* provide the visitor with accommodations, food and beverage, modes of transportation (bus, taxi, train, aircraft, boat and bicycle), shopping, access to emergency care, information about the area, and friendly and knowledgeable assistance. *Infrastructure* means suitable utilities (water, sewer, and electric), communication, and transportation access such as roads, airports, railways, and waterways. *Tourist markets* are the consumers (and users) of the tourism product. Understanding who the potential visitors are, where they come from, what they are interested in seeing and doing and how much they are willing to pay for these experiences are important visitor characteristics that can be often overlooked. Knowledge of existing and potential tourist markets will greatly improve an area's chances for success.

¹ See "Organizing Resources for Tourism Development in Rural Areas" accessible at: <http://www.ecu.edu/cs-acad/sustainabletourism/Rural-Tourism.cfm> under Organizing Resources.

Finally, and most important, is the *host community or region*. Developing a tourism industry directly and indirectly affects the entire community. Both tourism and non-tourism businesses as well as the local citizenry all have the potential of being positively or negatively impacted as a result of tourism, and thus play a key role in the industry's success. In addition, the quality of the host-guest relationship plays a major part in determining the overall quality of the visitor's travel experience and his or her perception of the community. For tourism to succeed, efforts must be made to contribute to, rather than disrupt, the local quality of life. Taking all five of these components into account is essential when developing tourism in order to ensure a successful and sustainable tourism industry.

So, what we should be shooting for are sustainable tourism destinations that are implementing green practices and that highly value their community sense of place (a cross-disciplinary concept that recognizes the many ways in which places take on special meaning to people). Sustainable tourism development places great emphasis on identifying, analyzing, and enhancing the characteristics and processes that give destinations a unique character. Such character can serve as the foundation for both an improved resident assessment of quality of living as well as an enhanced economy by attracting visitors and their expenditures. Factors that impact and contribute to a distinctive sense of place are varied. A few examples include:

- Migration, demographics, and class dynamics;
- Transportation, housing, and workforce issues;
- Community political relations and civic culture;
- Ecosystems, climate, natural resources, and environmental planning;
- Heritage, traditions, and histories;
- Architectural design and landscape aesthetics;
- Recreational and leisure opportunities;
- Public health, recreation, and wellness;
- Fine/performing arts and place-defining literature and music;
- Marketing and promotional strategies;
- Business and entrepreneurial development; and
- Smart growth.

Communities with a distinctive sense of place often enjoy greater quality of living and attract more visitors. However, the impacts of tourism in amenity-rich destinations often dominate decisions regarding the community's economy, environment, and culture. At the forefront of such a tourism-oriented economic structure are issues related to land use, real estate prices, cost of living, transportation, business diversification, workforce availability, water quality, and the environment.

The Center for Sustainable Tourism is aggressively addressing the sustainability of the tourism industry, particularly the balance of the Triple Bottom Line that includes the economy, the environment and the socio-cultural community aspects, through a number of initiatives.

These include:

- Development and promotion of the U.S. Travel Care Code (www.travelcarecode.org)
- NCGreenTravel (www.NCGreenTravel.org)
- RETI-Renewable Energy in Tourism (www.renewabletourism.com)
- Climate, Weather and Tourism (www.climateandtourism.org)
- RESET-Race, Ethnicity and Social Equity in Tourism (<http://www.ecu.edu/cs-acad/sustainabletourism/RESET-Initiative.cfm>)
- Community Sense of Place (<http://www.ecu.edu/cs-acad/sustainabletourism/Community-Sense-of-Place-Initiative.cfm>)
- Sustainable Practices in Tourism (<http://www.ecu.edu/cs-acad/sustainabletourism/Sustainable-Tourism-Practices.cfm>)
- Engagement and Community Outreach (<http://www.ecu.edu/cs-acad/sustainabletourism/Engagement.cfm>)
- Master of Science in Sustainable Tourism (www.mastersofsustainabletourism.org)

Although containing universal elements, these initiatives all have particular relevance to the further development of tourism in Eastern North Carolina. Although rich in natural resources with a history and culture influenced by water, both inland and coastal, Eastern North Carolina faces many challenges in establishing a regional brand, and in attracting, efficiently moving, and serving, its tourists. Although jobs are paramount in the thinking of many, tourism will not be considered an acceptable economic development strategy, if it does not serve the needs of local

residents in preserving and honoring what is held most dear—and that is their “community” and those elements and components that contribute to their sense of place.

Regarding sustainability or green practices, District 1 in North Carolina, represented by the Honorable G.K. Butterfield, is rapidly adopting actions that are more energy efficient, conserve precious water resources, reflects well on the tourism business interaction with the community, and that further the sustainability brand for the region thus improving its image to the to more “green” discerning traveler. Three such tourism entities include Mother Earth Brewery in Kinston, the New Bern Riverfront Convention Center, and the Roanoke River Partners along with its recently formed Mayors Association.

Some of the Mother Earth Brewery sustainability features include:

“A six-kilowatt solar array on the roof and blue jean insulation, a 100% recyclable product, was used to insulate the walls. In addition to being a recyclable product, it also has outstanding sound barrier qualities. Soy-based spray foam insulation protects the second story ceiling. Low VOC (volatile organic compounds) paint covers the walls. The flooring wasn't ignored, either. Mother Earth Brewing's corporate offices will sport eco carpet partially made from renewable resources. Eco flush valves on toilets know just the right amount of water needed for "the job" and reduce water needed for flushing by 30%. Eco faucets in both bathrooms offer an unimaginable savings in water compared to conventional faucets. A state-of-the-art tankless water heater heats water on demand, instead of using needless energy to keep hundreds of gallons of water heated at all times.”

In New Bern at the Riverfront Convention Center, there is featured:

- Signed recycling containers
- Use of bio-degradable products or china service
- Eliminated use of plastic cups and pre-bottled items
- Donate excess food to local homeless shelters
- Use of sensor lighting turnoffs and 5-yr. fluorescents
- Hand wash faucets sensor controlled with temperature preset
- Shred office paper, and,
- Use 8-yard compactor thus reducing # of trash pickups

The Roanoke River Partners (RRP), in 1997, set out to identify their goals, establish a plan of action and incorporate as a non-profit group. Then, the hard work began. One of RRP's first and biggest projects was to create a paddle/camping trail along the river and its creeks that

would increase awareness of the treasure they called the Roanoke, *and* build infrastructure for small businesses like guides, outfitters and many others in the region, new and old. Visitors can now trace the curves of the Roanoke and its tributaries, discovering the variety of wildlife and habitats it offers and enjoying the unique experience of spending a night (or more) in the breathtaking beauty of its moss-draped back swamps on one of 14 camping platforms. In this special type of eco-tourism, the Roanoke River Paddle Trail would be the first private system of its type in the nation. Recently, a RRP Mayor's Association was formed to create a forum for collaborative regional efforts in economic development and environmental and cultural protection—an association that is now becoming a model for other rural regions wishing to benefit from tourism.

Mrs. BONO MACK. And I will recognize myself for 5 minutes for questioning.

And I just want to start by saying that it is clear that we all share a very strongly held belief that USA is the number-one brand in the history of the world. But I would like to ask my first questions to Mr. White.

Have you already had interaction with CTP or Brand USA as of yet? If yes, how would you describe that interaction? And if not, what is your understanding of how Brand USA will assist our tourism campaign back home?

Mr. WHITE. We have had interaction with Brand USA. We were fortunate to be involved on many different fronts. I think they have really reached out to try to gain insight from all different destinations.

The research that they have conducted shows exactly what Dr. Long had talked about, is that the international traveler is looking to get beyond the gateway cities. The international traveler is very savvy. They know how to use the Internet. And the tour operators, they know how to find the niche markets. And I think it is an opportunity for us to not only expand upon the opportunity we have to reach those international destinations, but more importantly for us, it is the emerging destinations like a China, and India, or South America that we haven't been able to reach as we have in the past through the Internet that they have, the social media they are going to have, the ambassador program they are going to have. And so they are relying on our assets and the programs that we are creating to partner up with what they are trying to create, because they can give the message, but we have to deliver the product for that person to experience. And we want to make sure we are delivering the right product with our partners as well.

Mrs. BONO MACK. Do you have any of the fears that a number of the Members have sort of alluded to about picking and choosing winners? I have asked the question of the Secretary also. Are you worried that they are going to be picking and choosing?

Mr. WHITE. No. I have been in this industry my entire life, and the one thing that I have noticed, and this happens at a regional level as well, we see that when we just launched our brand last week and we show a video and people start to become concerned, I wasn't in the video, am I going to be realized? And it happens as well.

This organization is really trying to get the message out that this country, this destination is in a brand new day. It is going in a new lifecycle. There is a new environment here. And the individual is going to seek out, through the Internet, through the different avenues, looking for that information. If they are going to look for Palm Springs, it is incumbent upon me to make sure that my Internet, my information is connecting emotionally with that particular person.

So I can't put the entire burden on Brand USA to say, you need to represent me as a destination. I just want you to, say, consider the United States before you consider Dubai, or Japan, or other destinations if you are coming from the U.K. Or Germany, so at least I can get my foot in the door and really start to compete for that business through a Joshua Tree or Mount San Jacinto.

So we really want to emphasize that their role is that they cannot impact everybody specifically all the time 100 percent, it is physically impossible, but really want to change the perceptions that people have internationally about our destination to give me the opportunity then to sell my product that we have.

Mrs. BONO MACK. To compete within—

Mr. WHITE. Exactly. Give me that first edge.

Mrs. BONO MACK. That is terrific.

Do you see any issues that fall within the Congress or the administration's domain that must be addressed to facilitate the attraction of and travel by international visitors? Anything else other than Brand USA that you would like for us to do now to help?

Mr. WHITE. Well, Geoff talked about this as well. Obviously, we need to be easy to do business with. It has to be easier to get a visa, it must be easier to get through customs, it must be easier to get through TSA. If they don't have an experience that is positive as they go through the process, and it is easy to get here, and it is not time-consuming and overburdened, they are going to other destinations that are more welcoming in that regard. So even though we may have a great campaign that says that we are a welcoming destination, we need to prove that as they come through the process at the airports, at the different gateways into our country.

Mrs. BONO MACK. Thank you.

Ms. HARRISON, you testified that Marriott has already invested both funds and in-kind contributions with Brand USA. Can you describe your interaction with Brand USA and how you see that relationship evolving to be the most beneficial?

Ms. HARRISON. We work very closely with Brand USA and with U.S. Travel Association with Geoff Freeman also. And we are very, very happy that we have been able to contribute to the Brand USA.

If you look at the statistics, just take China for example, by the year of 2030, 130 million Chinese are expected to travel to the United States. They spend on average \$7,000 a trip. By partnering with Brand USA, hopefully we can get more Chinese visitors to come to the United States, to go to Vegas, to go to places like that instead of Macao and Australia where they are currently going to. And if we get just 10 percent of that number that is expected to come to the United States, we would have to build new airports, put new gates on, and we would create a number of new jobs. So it would be very exciting.

So we are very excited about our work with Brand USA to get more international travelers to the United States.

Mrs. BONO MACK. Thank you. That is awfully good to hear.

Mr. Freeman, you recommended adding countries to the Visa Waiver Program. What are the impediments that you see to approving a country to the list?

Mr. FREEMAN. The great aspect about the new Visa Waiver Program that is strongly supported by the Department of Homeland Security is that putting countries into this program actually makes America more secure. We saw that with the recent additions of Eastern European countries, as well as South Korea in recent years.

Right now there is a barrier to further visa waiver expansion due to the creation or the implementation of what is considered a biometric exit system. We need to address that issue. There is legislation that exists to address that issue so that we can target countries like Brazil that meet our standards, that we can begin to have a conversation with them about increasing their security, their cooperation on lost and stolen passports and other issues to make America more competitive.

As was mentioned earlier, as South Korea was entered into the program, we have seen upwards of a 40 percent increase in South Koreans coming to the United States. We can expect that and greater from Brazil and other countries if we put the right policies in place to get them into that program.

Ms. BONO MACK. Thank you very much. My time has expired.

Mr. Butterfield, you are recognized for 5 minutes.

Mr. BUTTERFIELD. Let me thank the chairman and thank the five of you for your testimony today. I have been listening very carefully, and it has been very informative. I thank you so very much.

I listened with great interest to the testimony of Ms. Harrison. Ms. Harrison, when I was a youngster—I live in North Carolina—twice a year my family would drive from North Carolina to New York City, and we would come up what was called the Shirley Highway. They didn't have 95 or 395, it was the Shirley Highway. In order to get to New York City, you had to go across the 14th Street Bridge on up to New York Avenue and make a right turn, and right on through Baltimore and up to New York City. It was a 12-hour trip. Today it is 8 hours. But we would always break our trip at your grandparents' hotel.

Ms. HARRISON. Thank you.

Mr. BUTTERFIELD. It was \$19 a night. I want you to remember that. It was \$19 a night, and as a youngster I thought that was so much money to be spending for a hotel. But I have great memories of staying at that property. So welcome to the committee, and thank you for your contribution to this space.

Ms. HARRISON. You are welcome. And thank you for being such a great customer.

Mr. BUTTERFIELD. Yes. That must have been in 1958, 1959, I suppose.

Ms. HARRISON. It opened in 1957. Hopefully, you also stopped at some Hot Shoppes along the way, along the turnpike.

Mr. BUTTERFIELD. We did. I was born in 1947. So, yes, I was about 11 or 12 years old. I remember it so well.

Let me direct my question to you, Mr. Freeman. Thank you very much for your testimony. I want to talk about highway tolls. I don't know if that is something that you pay much attention to, but it is a real hot issue in my State.

My State department of transportation recently announced plans to toll Interstate 95. That highway is one of the most heavily traveled interstates in the entire country. And it just so happens that that interstate highway runs right through my congressional district, and so I am opposed to it. It would cost, we are told, \$19 for a typical car to travel from the Virginia border to the South Carolina border through our State. I know this will impact my constitu-

ents in my district, and they have expressed frustration over this tolling plan, and so I have introduced a bill to try to deal with that.

In addition to North Carolina's tolling plan, there have also been talks about tolling Interstate 95 in Virginia, our neighbor to the north. And I suppose that that toll could cost as much as \$19 or \$20. So when you put the \$20 in Virginia together with the \$20 in North Carolina, that is \$40 for a tourist to travel from the New England part of the country perhaps down to Disney or to Myrtle Beach or Charleston, some of the Southern destinations. That is \$40, not to mention the cost of a truck, a commercial vehicle, to make that trip. And then when they return back to their point of origin, that is another \$40. That is \$80 in tolls that is added to the family's budget, and I am fearful that this may discourage to some extent our tourism traffic.

In your opinion, how does tolling impact tourism, if you have any words of wisdom on that?

Mr. FREEMAN. Well, Mr. Butterfield, I think your comments are valid and well taken. When you look at travel in this country, about 85 percent of it takes place by car. So it is certainly an issue we need to address. We have a significant infrastructure challenge in this country. Certainly, our infrastructure is falling behind that of other nations around the world. Our own civil engineers give our roads a D-minus when it comes to infrastructure.

We also lack a way to pay for the necessary reforms. So we would look forward to working with you and others in finding a long-term and sustainable funding model for improving the Nation's infrastructure. Tolls may or may not play a role in that space, and we have not done any research to date to see the effectiveness of—or the effect the tolls have on the decision to travel. But what we do know is we have to take our infrastructure weaknesses seriously and make some of the improvements that are necessary.

Mr. BUTTERFIELD. And as State budgets begin to get strained, this is going to be a problem even more in the out years, you know, how to maintain interstate highways. Do you do it with tolling, or is there some alternative mechanism for doing it?

Mr. FREEMAN. Absolutely.

Mr. BUTTERFIELD. Dr. Long, you are from the eastern part of North Carolina. I am sure you have heard this debate. And I am right squarely in the middle of it. And certainly I understand the importance of planning for the future, but I also understand the strain that is being placed on tourists and local families. Can you help us with this?

Mr. LONG. I do not have the expertise to respond in a really credible way at the moment, but it is a topic that is on our radar screen and that we are collecting information as we speak to better understand the various aspects of that issue.

Mr. BUTTERFIELD. And you can certainly appreciate the interests that have to be balanced in making this decision.

Mr. LONG. Yes, we do.

Mr. BUTTERFIELD. Again, Dr. Long, I was very interested to hear about how various businesses in the travel and tourism sector have taken to an ethic of sustainable tourism, not just because it is the right thing to do for the environment, but also because certain

steps can save a great deal of money even in the short to medium term.

Is my time up? All right. I yield back.

Mr. HARPER [presiding]. The gentleman yields back.

The chair will now recognize the gentleman from Texas Mr. Olson for 5 minutes.

Mr. OLSON. I thank the chair.

And welcome to the witnesses. Thank you for your time and your expertise today.

And it is unfortunate that my colleague from Kansas had to leave a little bit early, but I can assure you when I get to see him on the floor today, I am going to tell him that while I was shamelessly promoting the Lone Star State by the slogan that Texas is like another country, I was indirectly promoting Kansas, because for about 9 years, the southwestern part of Kansas was part of the Republic of Texas, part of this country that was Texas. So if it is good for Texas, it is good for Kansas.

My first question for you, Mr. Evans: You know, you mentioned in your opening statement that our share of international arrivals declined by 37 percent, from 17 percent of the world market to 12.4 percent today. If we just maintained our market share over that period you mentioned 467,000 American jobs would have been created.

We want to ensure that everyone, rural and urban, benefits from Brand USA's marketing efforts, but we also need to make sure it operates beyond controversy, and that we target true foreign destinations that foreign visitors want to go to. I mentioned in my comments earlier that Buffalo Gap, Texas, Perini's Steakhouse there, that is a great destination. They will even give you a cowboy hat. But very few people, I think, from overseas want to go to Perini's in Buffalo Gap, Texas.

So what is the policy of Brand USA regarding the promotion of a particular location to make sure that we truly target where foreign tourists will visit?

Mr. EVANS. So I am not sure it is a policy, but our work pattern is that we will work with anyone and everyone, and have interest in working with all States. In fact, we have a program under development right now with the State of Texas through Julie Chase, who is your head of tourism, to make sure that we are comarketing together to help her to approach the issues that she is dealing with in trying to increase international tourism by helping her expand her investments, by adding her into some of the investments that we will be making with our brand.

So as far as, you know, individual towns are concerned, that is probably a little bit more difficult issue because they really don't have the budgets to partner. So we would expect that she—they would look to Julie and the State of Texas to make sure they are partnering with Brand USA to extend their marketing reach as far as possible.

Mr. OLSON. So the States become the liaison between you and the people back home.

Mr. EVANS. The States and many CVBs.

Mr. OLSON. Outstanding. Great. Thank you.

A question for you, Ms. Harrison. First of all, I want to thank you, because the Marriott hotel in the town center in Sugar Land, Texas, where I live, my home, is doing its share to promote international tourism. And let me explain that.

A recent study found that the Greater Houston area was the most diverse, ethnically diverse, large city in America. Number one. And Fort Bend County, where I live, was the most diverse part of the Greater Houston area. In fact, this past Saturday I was at a wedding there at the Marriott there in town center. And I was not at the wedding, I was at another event, but there was a wedding going on, and these were Indian Americans. And many of those people had to get passports and had to come here, and they found a home at your hotel for a couple of days. And I thank you for that. One thing you guys couldn't accommodate was the bride could not ride in on the elephant. You guys had no room for the elephant there. You are doing your share.

I just want to follow up on the comments that the chairman had when she was here. But how are you using Brand USA to coordinate with the Federal office that is involved in this process that the first panelists mentioned? The Federal Government, we have got these offices, boards, all these groups out there. How are you communicating with them with Brand USA to make sure that the left hand knows what the right hand is doing, that you are not duplicating your efforts at Marriott? Because you guys are doing great things.

Ms. HARRISON. We have a lot of associates in our corporate headquarters, and we have several of them that work very closely with Brand USA in the marketing department. And part of our in-kind contributions are coming from working with them on the marketing and putting things up on our Web sites. And we work in concert with them to help promote the United States as a destination through our channels. We have huge distribution channels with our reservation channels, and many people go on line every year. And so we work with them to market Brand USA. So we have several people in our corporate headquarters that work very closely with them. And we work closely with them on the policy pieces of it to try and get our visas streamlined and the wait times down and so that they can market that.

Part of what Brand USA does that we find that is so valuable is that they also educate the traveling public as to what is expected when they go to the consulates. You know, the fingerprints have to be taken, those kinds of things. So they market, but they also educate, and we appreciate that.

Mr. OLSON. Thank you. That sounds like a true quasi-public-private partnership that works very well.

One final question for you, Mr. Freeman. I am running out of time. But how does the waiting time for the U.S. entry screening process compare to other similar nations? How are we doing? It sounds like we are not doing very well.

Mr. FREEMAN. When it comes to visa wait times, America is at a huge competitive disadvantage. Brazilians are not required to have a visa to go to Western Europe. That puts America—when you consider that the U.S. often had a wait time of over 90 days,

100 days at times, it put America at a huge competitive disadvantage.

And we heard talk before of perhaps Americans losing visitors because of competition. Another way of saying that is America is losing visitors because of its lack of competitiveness, because we are not putting the policies and the resources in place to put ourselves on a par with our competitors around the world.

The State Department has made great strides. What we all need to do is help them to make these things sustainable with some of the policies we discussed earlier.

Mr. OLSON. Thank you. I am out of time. I yield back.

Mr. HARPER. The chair recognizes the gentleman from Texas Mr. Gonzalez for 5 minutes.

Mr. GONZALEZ. Thank you very much, Mr. Chairman.

Real quick observations, then I will ask a question. You heard me question the Under Secretary or Assistant Secretary about coordinating their effort to the different agencies and departments. You really need to be keeping us informed as to where you don't see that coordination taking place.

The reason for it, by the very nature of the beast, all of these different departments and agencies have different priorities. You know, DHS is going to be obviously different even from State Department, and State Department will be different from Department of Commerce. We run into this all of the time, and it is a legitimate factor that we need to take into consideration.

I heard you about government conferences, agencies and departments. You are going to see more of that. We are really cutting spending, both sides of the aisle. I mean, it is just going to be out there. I think you need to prepare for that. And I see organizations and associations, bar Associations and such, doing the same thing because of the teleconferencing that is out there, and it is cheaper. It has tremendous impact.

Scott White will tell you; I am from San Antonio, and I don't tell have to tell you what the tourism means to my city. I am not happy about it, yet I don't know how we are going to be able to resolve that. When we talk about austerity measures and such, you need to be explaining that to your Members of Congress, that there are real economic consequences to you, your business and to jobs throughout America.

You know, Mr. Long, you pointed something out. Two weeks from today—at least I hope that I will be—I will be in northern California. The first thing I am checking are all the State parks, hours of operation, maintenance and everything else. It is not what it used to be. You are not real sure what is open anymore. And I know California may be unique in some ways, but I have been in New Mexico, too. It is not the same, and that is a very, very real concern to me.

The other thing, of course, is infrastructure. The truth is we know what it would take, we are just not willing to pay for it. I have said this often, and I know President Eisenhower set out to build an interstate highway system that has served us well to this very day. And people tell me that back then he was able to sell it on the proposition it was a national security issue. I don't know if

that is true or not, but I do know this, that he raised substantially the tax on gasoline.

Now, that is what it really takes to do anything in this country regarding our bridges, and our roads and infrastructure. It is not going to happen. This Congress would not have embarked on an interstate highway system. I mean, that is just a fact. I don't know if anybody here is going to dispute that or not.

With that, let me ask you this, Mr. Evans: How did you people get information before they travel? I think we all know the answer, but you tell me.

Mr. EVANS. I think a variety of ways, but I think in today's marketplace—I will give you several. One is our Web site, discoveramerica.com. All of our States have Web sites that people will use to gain information. Travel agents around the world, wholesalers around the world provide that type of information, as well as social media has become a great resource for people as they begin to plan trips.

We have an application on our Web site called "Suitcase" that people can click into and investigate States and cities and begin to put together their trip through, you know, not only checking the cost of flying, but checking the cost and the mileage of driving, so it helps them plan trips.

So I think today with the social media, with our Web site, and with the network of travel industry, people have more resources than ever to investigate and to plan their trips.

Mr. GONZALEZ. So in a word, it is the Internet. This committee has jurisdiction over telecommunications. We probably have a greater intimate knowledge of how it works from its infrastructure to every moving part. You also need to be telling us how it serves you, problems that you have. And we know the world has changed, and how do you get your message out there? Search engine placement is placement, advertising is advertising, and you have a bunch of middle people now. Basically I could go to a Marriott Web site, but the truth is I have got all these brokers out there, and we need to understand that, and where you think we can be of assistance, you need to be telling us.

I only have a few seconds, so your answer has to be very precise, concise. What is the one thing—if you asked Congress to do today and we could grant it, what is the one thing to help you? In just 5 seconds.

Mr. EVANS. I would keep focusing on visa waiver issues, and improving that process, and do everything that people can to support Brand USA in our messaging around the world.

Mr. GONZALEZ. Mr. Freeman.

Mr. FREEMAN. Listen to Jim's advice on the visa waiver program.

Mr. GONZALEZ. Ms. Harrison?

Ms. HARRISON. Listen to Jim also.

Mr. WHITE. Agree. Visa waiver program.

Mr. LONG. I agree and add a strong element of research to that as well.

Mr. GONZALEZ. Thanks very much for your testimony.

I yield back, Mr. Chairman.

Mr. HARPER. The gentleman yields back. The chair will now recognize himself for questioning for 5 minutes.

And we thank each of you for being here, and I can assure you despite my friend's comments about the interstate highway, it is clear that highways, roads, bridges have always had strong bipartisan support. It is imperative that we do that.

But I would start with this, if I could, and ask Mr. Freeman, how much do gasoline and aviation and fuel prices affect the type of travel that we are talking about today?

Mr. FREEMAN. There is no doubt as travel becomes more expensive, it has a consequence on how it is used. At the same time, however, we have seen that travelers are awfully resilient. We saw that as gas prices rose in 2007. We saw it again earlier this year as gas prices rose.

When you look at that increase of even \$1 a gallon, when you look at it over the cost of a trip, you may be adding \$20 to the cost of your trip. Certainly when you look at fuel prices, you have some serious issues there, and the fuel prices have led the airlines to put in place many new ancillary fees that drive certain costs of travel now. Those are certainly a concern for many travelers.

We are particularly concerned about the issue of carry-on bag fees and the effect that that has, and it all starts with those fuel prices, the effect that has on the TSA experience. According to TSA, you have seen a \$260 million cost to taxpayers because of the increase of 50 percent of bags coming through.

Mr. HARPER. When it comes to an individual family that might be traveling versus a group tour, does that gas at the pump have a bigger impact for that group tour?

Mr. FREEMAN. It certainly could. The data tends to show that travelers are awfully resilient, but that is not an excuse for not finding a long-term policy, and we certainly need to get that figured out.

Mr. HARPER. Certainly. And if there is a way to get gas prices back down, that is going to help towards—that is a given.

Mr. FREEMAN. It will certainly help.

Mr. HARPER. On the international travelers, when you are giving that response, you are referring to domestic as well as international travelers.

Mr. FREEMAN. I am largely referring to domestic. The one thing we have seen with international travelers, even when the currency in the United States—when the dollar was weak, we weren't seeing the number of visitors that we needed. The visa policies, the entry policies, the promotion are the key things with international travelers.

Mr. HARPER. Thank you, Mr. Freeman.

Mr. Evans, have you identified any areas where the administration or Congress can assist in growing the number of international visitors by revisiting any particular regulations or laws other than the waiver, visa waiver?

Mr. EVANS. I am not sure about regulations or laws, but we are working right now with the State Department and helping them to—excuse me, them helping us to launch our promotions in country. Right now we are looking at some test operations in Canada and in France and Germany that we hope to launch before the summer is out where we would do something to help improve the experience of waiting in the waiting area for visa processing, as

well as we launch, because our ambassadors have so many contacts in country, that they could help us meet many of the leaders in the community. And so we are talking about some launch parties in those test countries also.

Mr. HARPER. And I am just curious. You stated that you estimate current in-kind contributions around \$20 million, I believe.

Mr. EVANS. You know, it is a hard number to just hold to. I think in our pipeline right now, we are probably \$31 million. But the process of valuing that at fair market brings it down somewhere near \$20 million.

Mr. HARPER. Well, can you discuss what those in-kind contributions entail?

Mr. EVANS. It is a variety of things. It is everything from an airline seat or a hotel room, where we are given access to those assets to build travel packages around or to use internally for our own personal travel. We have a team of people going out to Marriott this Friday—I think it is our third meeting—to begin talking about how we can create in-kind marketing opportunities. That ranges from everything from putting our logo on your advertising, to your Web site, to creating a 50/50 cooperative marketing opportunity.

Mr. HARPER. Got you.

All right. At this time I will recognize the gentleman from Illinois Mr. Kinzinger for questioning for 5 minutes.

Mr. KINZINGER. Thank you, Mr. Chairman.

I have to echo your comments you made about the interstate system. This is a majority that has been very supportive of infrastructure, I think it is important to say.

But I thank you for the time, and I am glad we are all on the same page when it comes to the importance of increasing our travel and tourism in the United States, obviously a very important industry.

Increased travel achieves significant foreign policy objectives as well by introducing international visitors to our best goodwill ambassadors, which is our citizens. In fact, if you go out on the Mall here in Washington, DC, you are shown many people from around the world that come and get their picture taken in front of a great symbol of what American freedom is, either the Capitol or the White House, or any of the other landmarks.

I am a cosponsor of the Welcoming Business Travelers and Tourists to America Act, which will remove the self-imposed barriers in the business and tourist visa application process that is presently discouraging travel to United States, as we have talked about. I am working to ensure that hopefully we will see action in the House on this legislation before the end of the year.

For a moment, though, I want to switch gears and turn our attention to U.S. citizens traveling abroad. I have been concerned about the health and safety of U.S. travelers abroad and ensuring that our consumers have the most important safety and health information when booking international travel on line. I am a lead sponsor of the International Travelers Bill of Rights, which is a bill that would require online travel operators to display certain health and safety services available at hotels, and it requires the State Department to update the record of overseas deaths of U.S. citizens from unnatural causes on a monthly basis, including locality.

It is so much easier for consumers to book foreign travel on line, and they may or may not be aware of the safety and health problems at a particular hotel or region that is present without this information.

So my first question is to Ms. Harrison and Mr. Freeman. Do you believe that consumers have enough information when booking foreign travel at a hotel that is not U.S. owned or U.S. Based?

Ms. HARRISON. I am not sure that I have the expertise to speak on that, but this has come up before, and our feeling is that there—if you go on line and you book a hotel room at one of our hotels overseas, you are also able to contact that hotel and ask those pertinent questions that may concern you and may worry you.

As far as having lifeguards at every pool and those kinds of issues, that is sort of done by a regional basis, a hotel-by-hotel basis. I think that the information is accessible on line, and customers are certainly welcome to call our general manager.

Mr. KINZINGER. And I don't think, you know, necessarily American-based hotels even overseas are as big of a problem as what we see is hotels that are owned and operated overseas. I had a specific case of somebody in my district who lost a son, and this is information that would have been probably very handy to them.

Mr. Freeman, do you have any input on this at all?

Mr. FREEMAN. We are an organization that is entirely focused on travel, too, within the United States. I think your last comment is important, though, because the access to information is what will be difficult for many, perhaps those tour operators and others, booking that travel overseas. If they don't have access to the information, it is going to become very difficult to share.

Mr. KINZINGER. I don't know if anybody else on the panel had any thoughts or anything.

And do you believe the current State Department—probably along the same lines, probably give me about the same answer—but do you believe the current State Department travel warnings and overseas death notifications are distributed in a manner that is useful in informing travelers of any unforeseen dangers? Anybody? Same basic answer on that?

OK. I think it is an important—and I understand where your-all areas of expertise are, but I think it is something that obviously is very important when we talk about U.S. citizens traveling abroad that they have that information available to them.

So with that, thank you for your patience and coming in today, and I yield back.

Mr. HARPER. The gentleman yields back.

I want to thank each of you for being here today. You have added some valuable insight and have been a great resource for the committee. And we wish each of you well. And as we travel across the country, we hope we will see you again.

I remind Members that they have 10 business days to submit questions for the record, and I ask the witnesses to please respond promptly to any questions they may receive.

This hearing is now adjourned.

[Whereupon, at 12:38 p.m., the subcommittee was adjourned.]

[Material submitted for inclusion in the record follows:]

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September 5, 2012

The Honorable Nicole Y. Lamb-Hale
Assistant Secretary
Manufacturing and Services
U.S. Department of Commerce
International Trade Administration
1401 Constitution Avenue, N.W., Suite 3832
Washington, D.C. 20230

Dear Assistant Secretary Lamb-Hale,

Thank you for appearing before the Subcommittee on Commerce, Manufacturing, and Trade on Wednesday, May 16, 2012, to testify at the hearing entitled "Where the Jobs Are: Promoting Tourism to America."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for 10 business days to permit Members to submit additional questions to witnesses, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and then (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions by the close of business on Wednesday, September 19, 2012. Your responses should be e-mailed to the Legislative Clerk, in Word or PDF format, at Kirby.Howard@mail.house.gov.

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,



Mary Bono Mack
Chairman
Subcommittee on Commerce,
Manufacturing, and Trade

cc: G.K. Butterfield, Ranking Member, Subcommittee on Commerce, Manufacturing, and Trade

Attachment

The Honorable Mary Bono Mack

Q. The Travel and Tourism Strategy released in May by the Task Force calls for the creation of an office of travel and tourism within the Department of Commerce to “provide leadership and focus” within the Federal government. What role did you play in development of the Strategy? What will be your role in implementation of the strategy?

A. As Assistant Secretary for Manufacturing and Services, I was actively engaged in the development of the National Travel and Tourism Strategy. The Strategy was developed by the Task Force on Travel and Competitiveness, established by Executive Order of the President, and co-chaired by former Secretary Bryson and Secretary Salazar. The development of the Strategy, and outreach to the public, was coordinated through my office in the International Trade Administration (ITA) in concert with the Department of the Interior. The implementation of the Strategy is the responsibility of the Tourism Policy Council (TPC), chaired by the Secretary of Commerce. The Office of Travel and Tourism Industries (OTTI) in ITA’s Manufacturing and Services (MAS) bureau serves as secretariat for the TPC and is managing the interagency development and coordination of the action plans to implement the Strategy. The proposed national office of travel and tourism would be established in the Department of Commerce to coordinate and provide leadership on travel and tourism issues across the federal government and expand on the duties and work of our current Office of Travel and Tourism Industries.

Q. How would the efforts of this new office differ from Brand USA efforts? What value would the Administration and the Commerce Department add to Brand USA’s efforts to attract new visitors? Would it be a better use of resources to expand the responsibilities of the existing Office of Travel and Tourism Industries at ITA rather than create a new, additional office?

A. The proposed national travel and tourism office would ensure effective coordination of travel and tourism activities across government. This includes serving as liaison to the Corporation for Travel Promotion (dba Brand USA) to support and encourage the development of programs to increase the number of international visitors to the United States, as well as carrying out responsibilities on travel and tourism as mandated by the Travel Promotion Act. The office would provide executive level leadership and expand the work of the Office of Travel and Tourism (OTTI) rather than being an office in addition to OTTI.

The Commerce Department and other Federal agencies provide a variety of services that help Brand USA and other private sector entities increase the number of international visitors to the United States. For example, OTTI provides research and analysis that Brand USA and destinations can use to make more effective strategic business decisions on which markets and demographic sectors would be receptive to promotional campaigns. The Commercial Service in ITA provides on-the-ground intelligence and contacts that will help Brand USA and other entities reach consumers. The Departments of the Interior and Agriculture, as well as the National Oceanic and Atmospheric Administration (NOAA) in the Department of Commerce, manage federal lands or marine sanctuaries that attract international visitors, which Brand USA uses in promoting the United States to international visitors. The Departments of State and Homeland Security both have made significant progress in reducing wait times for visa issuance in key markets and addressing the challenges of processing people at our ports of entry while protecting our borders thereby helping to keep the United States an attractive and welcoming destination.

Q. The goal of the Strategy is to increase the number of international visitors to 100 million by 2021. Did the Task Force establish interim goals? Do you expect to see steady, year-by-year increases over the whole period?

A. The Task Force did not establish interim goals, as the Tourism Policy Council, which is implementing the Strategy, was charged with developing a detailed action plan to achieve the goal of 100 million visitors by 2021. The TPC has established four working groups to identify and coordinate supporting activities and initiatives of relevant agencies toward common objectives for FY 2013, as part of an ongoing process of dialog and collaboration among TPC agencies to ensure that our efforts to meet the objectives of the National Strategy are effective and efficient. Results will be reported to the TPC on a regular basis to ensure to the greatest degree possible that all parties are working in concert to increase the economic contribution of travel and tourism to the economy and create jobs.

The Office of Travel and Tourism Industries (OTTI) issued a forecast for international travel to the United States through 2016. The current forecast predicts 3.8 to 5.0 percent annual growth through 2016. This forecast will undoubtedly change as countries are added to the Visa Waiver Program, Brand USA succeeds in attracting additional travelers, and lift capacity increases. As the number of international visitors will continue to be affected by variables such as exchange rates, economic growth in source markets and spending by competing destinations, growth rates are anticipated to be dynamic over time.

Q. In your testimony you mentioned a number of different offices, boards, and groups related to travel and tourism: the Tourism Policy Council, the Export Council, the U.S. Travel and Tourism Advisory Board, a national travel and tourism office at Commerce, the Task Force on Travel and Competitiveness, the ITA at Commerce (which will work with the industry on tourism data), and the Office of Travel and Tourism Industries at Commerce. All of these are in addition to the public-private Brand USA partnership. Please provide a brief description of what each of these offices or boards does and describe why you believe these offices are not duplicative and why they are not inefficient use of taxpayer dollars.

A. The Administration as a whole and the Department of Commerce in particular strive to leverage resources and reduce duplication of efforts. The same holds true for each of the entities you cite. Each serves a distinct purpose and coordinates as appropriate to maintain and improve U.S. travel and tourism competitiveness globally.

- The International Trade Administration's (ITA) Office of Travel and Tourism Industries (OTTI) is the only office in the U.S. government that focuses exclusively on enhancing the competitiveness of the U.S. travel and tourism industry and increasing its exports through industry research and analysis and policy development. OTTI monitors activity by U.S. competitors and contributes to interagency efforts to remove barriers to growth.
- The National Travel and Tourism Strategy recommends establishing a national travel and tourism office, which would serve as the primary point of contact for travel and tourism issues within the Federal government. The national office would provide day-to-day support needed to implement the Strategy, include OTTI and expand its work.
- The Tourism Policy Council (TPC) is a cabinet-level federal interagency vehicle that coordinates U.S. government-wide policies and programs that affect travel and tourism, including travel facilitation policy, trade promotion, research, and visitor services. It is established by statute, chaired by the Secretary of Commerce, and administered by OTTI.
- The Task Force on Travel and Competitiveness, co-chaired by the Secretaries of Commerce and the Interior, was established by Presidential Executive Order 13597 to develop the National Travel and Tourism Strategy. The Task Force completed its work and delivered the National Strategy to the President on May 10, 2012. Implementation of the Strategy is now being led jointly by the Secretaries of Commerce and Interior under the auspices of the TPC.

- The Travel and Tourism Advisory Board (TTAB), a Federal advisory committee, is composed of private sector members who advise the Secretary of Commerce on policy issues of importance to the U.S. travel and tourism industry.
- The President's Export Council (PEC) advises the President and serves as the principal national advisory committee on international trade. It provides a forum for discussing and resolving trade-related problems among business, industrial, agricultural, labor, and government sectors. Travel and tourism issues have been raised in this forum.

Q. In your testimony you discussed the promotional efforts of the government. In your opinion, why should the marketing of the United States not be left to Brand USA, allowing the government to focus resources on improving the entry, security, and infrastructure for processing international visitors?

A. By far, the vast majority of the promotion and marketing of U.S. travel and tourism is undertaken by private sector entities such as Brand USA, destination marketing organizations (e.g., state and local organizations, convention and visitors bureaus.), and private companies. The bulk of the U.S. government's work to support travel and tourism is focused on policy development, data collection and analysis, security, and border operations. To be effective in our efforts to grow exports, however, we need to ensure that travelers understand that the U.S. government wants and welcomes international visitors. International travelers need to have a positive experience with the government services they use – applying for a visa, entering our territory, visiting Federally-managed sites, and using our transportation systems – or we risk losing to our global competition. Communicating those positive experiences requires coordination by the Federal government with key multiplier organizations such as Brand USA, Visit USA committees, and others to ensure that international visitors have accurate information and do not assume that the experience of using government services will be onerous and therefore harm our image as a premier destination.

Q. Under the Task Force's Strategy, the Federal government will promote the U.S. to achieve the goal of attracting 100 million visitors to our country. Given that Brand USA will also engage in the promotion of the country to attract new visitors, how will you measure whether government efforts are successful or if an increase in international visitors is the result of Brand USA's efforts? How will you evaluate and quantify the return-on-investment of taxpayer dollars?

A. Federal efforts to promote travel and tourism include coordinating existing programs and policies across government agencies to ensure maximum efficiency in our efforts to enhance the competitiveness of the United States as a travel destination. Many of these government programs already have metrics in place, mostly focused on gauging the effectiveness of their communication and information strategies. In addition, Brand USA is measuring the progress and success of its marketing and communications campaigns against numerous performance metrics, such as incremental visits and spending, increased awareness of the United States as a travel destination, increased actual visits, and delivery of return on investment, among others. Whether travelers are coming from more markets and whether more travelers are coming from the markets in which Brand USA is advertising can be measured.

Q. In your testimony you mentioned the need to partner "with the travel and tourism industry through new and existing agreements." Please describe the existing partnerships and what new agreements you will seek.

A. Existing partnerships with the private sector include the Department of the Interior and concessioners in our National Parks through concession contracts with the National Park Service, and agreements between ITA's Market Development Cooperator Program (MDCP) and the Capital Region USA. For

instance, with support from MDCP, Capital Region USA's tourism project helped lift visitor spending from Europe and Latin America to Virginia, Maryland, and the District of Columbia was 13% above (or \$5 million) FY 2010, according to preliminary results from FY 2011. In addition, we have partnerships with private companies and organizations that help us to develop and conduct efficiently some of our main data collection and research programs, such as the Survey of International Air Travel (SIAT), which is the key U.S. source of information on travel flows to, and attendant expenditures realized by, international travelers to our country. The SIAT is a public/private partnership in which personnel from selected airlines, airports and destinations work with Commerce to collect surveys on departing flights from the United States. In meeting the objectives of the National Travel and Tourism Strategy, there is ample opportunity for federal agencies to develop partnerships that may help increase the efficiency or effectiveness of their individual programs. We will be glad to provide information in the future as new agreements to help implement the Strategy are put in place.

Q. You testified about the need for the U.S. to communicate that we welcome visitors here. The extreme delays many foreign travelers face for a visa interview do not convey that message. I understand these delays are improving but concerned stakeholders suggest this is a cyclical problem – a problem that improves with Congressional attention but returns when that attention moves elsewhere. Do you have any recommendations on how to break this cycle?

A. In order to grow travel and tourism to and within the United States, and to maximize its potential to support our economy and create jobs, government services will need to keep pace with demand. The Administration is committed to making progress in this area. On January 19, 2012, President Obama signed Executive Order 13597, directing the Department of State to increase visa processing capacity by 40 percent in the high demand markets of Brazil and China and to ensure that 80 percent of nonimmigrant visas applicants worldwide are interviewed within three weeks of submitting a visa application. The Order also mandates the Department of Homeland Security to increase efforts to expand the Visa Waiver Program (VWP), travel by nationals of VWP countries, and the establishment of reciprocal recognition programs for expedited travel, such as the Global Entry program.

The Departments of State and Homeland Security have done an excellent job in increasing staff, building infrastructure and creating programs that will have a long-term impact in keeping wait times for visa appointments down in key markets and addressing the challenges of processing people at our ports of entry, all while maintaining national security as our highest priority:

- In China, Consular officers have reduced wait times for an interview down to an average of five days while managing a year-on-year 48 percent increase in visa demand.
- In Brazil, Consular officers reduced wait times by 98 percent, from a high of 140 days in São Paulo, to just two days, while managing a 38 percent jump in year-on-year demand.
- On October 2, Secretary Napolitano announced that citizens of Taiwan could now participate in the Visa Waiver Program.
- More than 1.4 million people, including over 300,000 new members this year, have access to Trusted Traveler Programs, allowing program members to receive significantly faster processing and freeing resources to move other travelers through the queue more quickly.

However, it is vitally important to understand that adding brick and mortar facilities, recruiting new adjudicators and providing necessary training are not quick processes even when financial resources are readily available. The Departments of State and Homeland Security look forward to coordinating with the public and private sectors to obtain advanced information regarding trends that could lead to demand surges so that we can prepare to meet these needs.

For more information on the steps being taken to achieve the President's visa and foreign processing goals, please see the progress report from the Departments of State and Homeland Security that was released on September 19, 2012 (http://www.whitehouse.gov/sites/default/files/docs/eo_13597_180_day_report_final.pdf).

Q. How do you prioritize your time between the different responsibilities of your office? Where does travel and tourism fall in your priority list? How many people at Commerce work on travel and tourism issues?

A. I strive to balance the competing needs and demands of the individual sectors or industries that we touch. As such, the attention and time that I dedicate to each one fluctuates depending on the issues at hand. Nevertheless, travel and tourism is a priority of the Administration, and therefore always one of my priorities, because of the clear and significant impact this sector has on our economy and on our jobs base. Within the Department of Commerce, the majority of the work to directly support the travel and tourism industry is done within the International Trade Administration (ITA), where 12 people work full time on travel and tourism in the Office of Travel and Tourism Industries. ITA's Commercial Service staff, both in its domestic and foreign offices, also actively supports the travel and tourism industry, as they do for other key U.S. sectors. Finally, several officials in my office, the Office of the Under Secretary and the Office of the Secretary, including the Office of General Counsel, are also involved in travel and tourism issues on an ad hoc basis. It would be very difficult, and inexact, to estimate how many others might work on travel and tourism issues throughout the whole Department, which as you know includes such varied units as the Bureau of Economic Analysis, NOAA, and the Economic Development Administration, among others.

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

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September 5, 2012

Ms. Caroline Beteta
Interim CEO
Brand USA Incorporated
1725 Eye Street, N.W., Eighth Floor
Washington, D.C. 20006

Dear Ms. Beteta,

We appreciate Brand USA Incorporated's participation in the Subcommittee on Commerce, Manufacturing, and Trade hearing entitled "Where the Jobs Are: Promoting Tourism to America," held on Wednesday, May 16, 2012.

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for 10 business days to permit Members to submit additional questions to witnesses, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and then (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions by the close of business on Wednesday, September 19, 2012. Your responses should be e-mailed to the Legislative Clerk, in Word or PDF format, at Kirby.Howard@mail.house.gov.

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,



Mary Bond Mack
Chairman
Subcommittee on Commerce,
Manufacturing, and Trade

cc: G.K. Butterfield, Ranking Member, Subcommittee on Commerce, Manufacturing, and Trade

Attachment

The Honorable Mary Bono Mack

1. **The Subcommittee heard testimony regarding the record level of exports for travel in 2011, and the Commerce Department projects further growth increases in the coming years for the U.S. travel industry. How will Brand USA measure its success and effectiveness in what is already a growing market? What metrics will you use to determine the extent to which Brand USA's campaigns are attracting new international visitors that otherwise wouldn't have travelled to the U.S. as part of the growing tourism trend? Will the Federal government's efforts to grow travel and tourism make it more difficult to measure Brand USA's successes?**

While global travel is growing, the United States' share of that increase remains far below what it once was. It is imperative that the United States reclaim and increase its share of the global travel market, particularly as worldwide tourism is on the rise, through a sustained effort that can yield long-term benefits for the U.S. economy.

Brand USA measures behavioral and attitudinal shifts among our target audience in each international market in which we run the campaign. Additionally, we are aggregating hard data on visitation from a number of sources (Office of Travel and Tourism Industries (OTTI) at the U.S. Department of Commerce, Oxford Economics, Amadeus, credit card companies, etc.) to feed our return-on-investment (ROI) economic model. On September 19, 2012, we reported preliminary results from the campaign launch and expect to report results approximately three months following the completion of our first full year of marketing abroad.

We are finalizing the comprehensive set of metrics for our ROI impact and attribution model, and anticipate sharing these details by January 2013.

In the meantime, there are five main categories we use to track success of the national tourism effort:

- Awareness and perception of the USA's tourism outreach efforts (overall and by channel).
- Consideration and investigation as measured by website and digital paid advertising metrics (by medium and creative).
- Action as measured by international travelers booking and taking a trip as a percentage of consideration (by channel and creative). This allows us to connect behavior to the marketing and advertising effort.
- Travel behavior and activities by comparing campaign messaging to trip behavior. For example, what percentage of international visits are "culture focused" as compared to the percentage of campaign messaging that is "culture focused."

- Advocacy and ambassadorship as measured by consumer response to our marketing and communications efforts.

Through the successful pursuit of these metrics, we believe we can achieve a long-term sustainable ROI for the nation's tourism efforts.

2. What is the biggest obstacle Brand USA faces in persuading international travelers to visit America rather than somewhere else (e.g., competition from other countries, cost or value, negative perceptions of America or Americans, etc.)?

Brand USA's research showed that international travelers had certain negative perceptions about the United States, including our not being welcoming, our being brash and arrogant, and our being "middle aged." These attitudinal barriers, the fact that other destinations continue to outspend us in advertising and communications, as well as perceptions about the challenges in traveling here (security, visa wait times, etc.) will continue to pose challenges moving forward. Until now, there wasn't an organizing principle for the United States to rally around to improve travel facilitation, accessibility, and the welcoming image of the United States in the world.

3. While we want to ensure both rural and urban communities alike benefit from Brand USA's marketing efforts, we also want to ensure Brand USA operates beyond controversy. What is the policy of Brand USA regarding promotion of particular locations? Do you have a policy regarding the promotion of particular companies or commercial attractions?

The goal of the core campaign is to inspire travelers to come to the United States—to see it again or for the first time—through a new lens. With that in mind, we convey the idea of the United States of America—what is new, unknown or unexpected about the USA—marketing the vast range of experiences and possibilities that the USA offers travelers.

Our brand theme line is "Discover this land, like never before," which how we show the experiences. Even well-known experiences or locations are shown in new and fresh ways to ensure we overcome perceptual barriers and preconceived notions. Our research proves we are successful to date.

The advertising created so far is the first phase of a campaign that will be developed over the coming months and years. We will continue to vary the different experiences and imagery we showcase as the campaign grows and evolves.

We intend to market the United States in its entirety rather than focus on any particular destination. While the iconic locations and landmarks of the United States are an important part of our marketing effort, we also feature destinations (from the most well-known to the lesser-known areas of the United States).

4. How will you choose which State or local tourism campaigns you will feature? In other words, how will you avoid selecting winners and losers?

We include all fifty states, the District of Columbia (DC), five U.S. territories, and an in-depth selection of greatest hits (iconic destinations) and off-the-beaten path destinations and experiences. Destinations that actively engage in collaboration with Brand USA will very likely be included earlier on in our comprehensive efforts, but over the next three years we anticipate representing a very strong balance of interests.

A critical component of this effort is digital marketing. DiscoverAmerica.com includes interactive features and a wide selection of U.S. destinations. The website aims to help potential visitors imagine their visit to the United States by showcasing 250 vibrant and distinct experiences that can only be found in the United States of America. The website features destinations large and small, iconic and lesser known, from all regions of the country. The site highlights the destinations as well as the experiences a traveler might have--for instance, a Memphis barbecue, the scenic Hana Highway in Maui, or spring training baseball in Florida.

Since the launch of the campaign, we have seen increasingly strong engagement and positive sentiment for the United States in our digital channels. From April 25, 2012 to September 19, 2012, there have been more than 2 million visits to DiscoverAmerica.com, more than 75,000 friends and followers on social media channels, and a 95% or better positive sentiment for the campaign and the Brand USA effort.

5. How frequently does Brand USA engage State or local tourism boards on their current campaigns or in establishing new campaigns? How do you envision Brand USA's relationship with State or local tourism boards evolving – what is the goal for how these relationships work?

States and cities are key stakeholders for Brand USA and in many ways are the heart and soul of this effort. We engage regularly with state tourism boards and their city and regional counterparts, destination marketing organizations (DMOs). Brand USA's senior staff travel extensively to state and DMO meetings and conferences to provide updates on our activities and to detail our collaborative marketing efforts. We also engage in ongoing joint planning with states and DMOs, including sharing of creative, media plans, and ongoing co-branding efforts.

Through Brand USA's key marketing vehicles, DiscoverAmerica.com and our trade show pavilion, we are providing a platform for states and DMOs to either enter the international market or expand their reach. The participation of states and cities is essential to our efforts to showcase the boundless possibilities for travel in the United States.

6. What are Brand USA's benchmarks for success? Who helped define these benchmarks?

At the beginning of implementation of the Travel Promotion Act (TPA), the industry set out its overall objectives for the five-year program, including a 20:1 ROI under good conditions at the five-year mark. In addition, as required by TPA, Brand USA submits its annual objectives, marketing plan and budget to the Department of Commerce by August 1 each year. Our executive management team, in consultation with key industry leaders, establishes these objectives. Our objectives primarily focus on increasing international visitation to all 50 states, DC, and the 5 U.S. territories; increasing visitation to urban and rural destinations across these geographies; and communicating U.S. entry/exit policies to worldwide travelers and enhancing their welcoming experience. Additionally, Brand USA has enlisted the counsel of a variety of leaders from all sectors of the travel industry to aid in our ongoing definition of benchmarks and metrics. These leaders contribute on an ongoing basis as members of our Marketing Advisory Group, Global Insights Advisory Group, Off the Beaten Path Advisory Group, and Business Development Advisory Group.

We also confer frequently with leadership from the Departments of Commerce, Interior, State, and Homeland Security, as well as the Travel and Tourism Advisory Board.

7. Mr. Evans testified Brand USA's return-on-investment goal is eventually 20:1 in the long term but 3:1 in the immediate term. How did Brand USA establish these goals? How will you measure whether Brand USA is meeting these goals?

The 20:1 ROI goal was designated by industry leaders upon enactment of TPA. Achieving this goal requires a long-term sustained marketing effort. The 3:1 ROI that was established as part of Brand USA's Fiscal Year 2012 objectives submitted to the Department of Commerce is a conservative but successful industry benchmark. We are already seeing dividends from our promotion efforts in the form of increased spending by international visitors.

Over the long term and once the program is fully activated (which will take from three to five years to accomplish), we expect to achieve a 20:1 return in visitor spending for every dollar we spend on advertising.

For example, \$10 million in advertising would yield \$200 million in new spending injected into the economy.

We will measure actual return by multiplying the incremental increase we receive in number of visitors multiplied by the average dollars spent per visitor, divided by our marketing spend.
Formula = (Increased incremental visitation x average spend/visitor divided by marketing spend)

8. Has Brand USA identified any reasons other than a lack of self-promotion and the global economic downturn behind our falling global share of travelers?

There are two main reasons for the decline in the United States' share of the global travel market:

- While the United States has lacked a sustained international tourism effort, other countries like the United Kingdom, France, Australia, Mexico, and Turkey have continued to invest in tourism as an economic engine. Until now, marketing to increase international visitation to the United States has been reliant upon the individual efforts of state, city and regional DMOs, as well as travel brands. While many of these organizations have very effective international campaigns, their efforts are focused on singular destinations and brands and with a range of marketing strategies and individual marketing budgets that can't compete with the coordinated efforts of competitor countries. One of our strongest tools is to present a unified and compelling message that inspires people to come visit us, to stay longer, and to visit more destinations (including destinations and attractions off the beaten path). Equally important is accurately setting expectations about U.S. entry / exit policies and make them feel welcome when they arrive and throughout their stay.
- After the tragic events of September 11, 2001, security controls in the United States were understandably tightened. Some of the new processes and requirements for entry into the country have presented barriers to inbound international tourism. Our market research shows that perceptions among international audiences of U.S. travel policies were a contributor to the impression that the United States can be "unwelcoming," and were thus a barrier to the decision to travel here. In addition, heightened security led to increased wait times for visa applicants and travelers arriving to our international arrival halls. Brand USA's job is to communicate the great improvements made by the Departments of State and Homeland Security over the past year and convey back what we see in the market. For example, 88% of visa applicants worldwide are interviewed within three weeks of submitting their applications. In key markets such as Brazil and China, wait times average well into the single digits despite year-on-year increases in visa demand of 37 percent. Meanwhile, the Department of Homeland Security has expanded participation in Trusted Traveler Programs to more than 1.5 million people, including over 325,000 new members this year. Global Entry is now available at 40 airports, and South Korea joined the program in June 2012.

9. What do you see as the Commerce Department's role in the process of attracting international visitors and growing tourism? How can the Administration add value?

The Department of Commerce is a key and vital stakeholder to the success of the Brand USA campaign. The Department of Commerce sets the table for Brand USA's activities by appointing the board of directors and approving the annual objectives. Commerce also provides the official government data on international arrivals that guide Brand USA's activities and inform the industry. Commerce's policy experts and Commercial Service Officers that have been working on tourism issues for years and are an invaluable source of information and assistance. The Department of Commerce is key to convening the Travel and Tourism Advisory Board to advise on travel policy and generate high-level industry support for the coordinated government approach.

The National Strategy on Travel and Tourism outlines the key ways in which the Department of Commerce, as well as the Departments of Interior, State, Homeland Security, Transportation, and others, are working in a coordinated fashion to support Brand USA and also to emphasize travel and tourism as an interagency priority. In addition to the travel facilitation measures taken by State and Homeland Security (see above), the national strategy contains a long list of important activities that leverage Commerce and other Executive Branch resources to the service of enhancing the national effort. For example, Commerce, Interior, and State lead the effort to emphasize a welcoming message about the United States in international engagements by high-ranking officials such as the President of the United States and U.S. ambassadors. In addition, Interior and others are engaged in a coordinated effort to make publicly-managed lands more accessible and visible to international travelers, including through Brand USA. Finally, the Department of Commerce represents the United States internationally on tourism policy to lower barriers to trade in travel services and increase travel flows.

As the public-private partnership established to promote the United States to international tourists, Brand USA gives impetus to the interagency effort to enhance tourism as an economic driver. Brand USA works closely with the Departments of State and Homeland Security to communicate information to international travelers about U.S. entry policies and procedures. From communicating travel policies through Brand USA's consumer website, DiscoverAmerica.com, to displaying Brand USA marketing materials in embassies and consulates around the world to establishing a welcoming environment in our ports of entry, Brand USA is collaborating with the Federal government on a wide variety of issues to maximize the returns on the country's first-ever international tourism marketing campaign.

Responses of Geoff Freeman,
Chief Operating Officer & Executive Vice President of the U.S. Travel Association
To Questions for the Record during Hearing of Wednesday, May 16, 2012,
entitled "Where the Jobs Are: Promoting Tourism to America."
Committee on Energy and Commerce
Subcommittee on Commerce, Manufacturing, and Trade

The Honorable Marv Bono Mack

1. **Your testimony alluded to the impact on our economy of international travelers who visit the U.S. on business.**

How important is the business travel segment to the overall travel industry?

Business travel is a critical aspect of the overall travel industry. According to U.S. Travel Association estimates, total travel expenditures in the United States were \$813 billion in 2011 and 31 percent (\$249 billion) was spent by business travelers, even though business travelers accounted for only 22.7% of person-trips taken in the U.S. Furthermore, of the \$249 billion in business travel expenditures in the U.S. in 2011, international business traveler spending made up 14 percent (or \$35 billion).

What is the breakdown between leisure travel and business travel, both in terms of number of visitors and their impact on the U.S. economy?

According to the Commerce Department, there were 5.5 million overseas business travelers to the United States in 2011. These business travelers accounted for 19.8 percent of total overseas visitors who came to the United States in 2011. These international business travelers spent \$35 billion in the United States. This spending accounted for 30% of total international travelers spending in the United States in 2011.

Where does the U.S. rank in attracting business travel with conventions, meetings, conferences, etc.? This information is not available.

2. **You referenced a McKinsey study that estimates the U.S. could create up to an additional 3 million jobs by 2020. Do you know how much of the global travel market the U.S. will have to gain to reach that growth potential?**

The McKinsey Report cited two factors that would enable the leisure and hospitality sector to create 3.3 million new jobs by 2020: a faster economic recovery in the United States and a significant gain in foreign tourism. The report did not specify how many jobs would be due to inbound travel versus domestic therefore we do not know how much of the global market share would be needed to meet the McKinsey report's estimate.

3. **If you had to choose, which is more important to regaining a larger share of international long-haul travelers: reversing the negative perceptions and problems regarding obtaining visas and entry into the U.S., or a positive marketing campaign?**

We would respectfully suggest that this question poses a false choice. Both problems derive from similar causes and progress toward each goal helps achieve the other. Accordingly, the twin objectives of the Travel Promotion Act were to increase the efficiency of our entry process while actively promoting the United States as an international destination.

The loss of the U.S. share of the global travel market after 2001 was attributable to the widespread perception overseas that we were no longer a welcoming host nation. To combat that misperception, we clearly must reform visa and entry policies that cause delay, expense or confusion – but which do not enhance our national security. In fact, we have already made many of those positive changes. But that progress occurs in a vacuum unless we affirmatively communicate it to prospective visitors.

This relationship is manifested in countless ways. Just last week, the State Department released its progress report on Executive Order 13597, including its focus on visa interview wait times. This has been a chronic disincentive to overseas visitors and the subject of ridicule in the foreign press and social media. The State Department report documented dramatically reduced wait times, facts that in past months also have appeared in international press accounts. The effect is constructively circular, as the progress report stated that “long wait times are no longer the subject of discussion on Chinese and Brazilian internet chat rooms.” These efforts rest on the mutually-reinforcing impact of visa/entry reform and promotion. When global perceptions reflect the real progress we have made toward streamlining the process, we can remove the self-imposed barriers to inbound visitation.

4. How does the waiting time for the U.S. entry screening process compare to similarly situated nations? Do we currently have the staffing to meet your recommendation of 20 minutes wait time per individual with more efficient allocation or are we short on staffing?

While we are not familiar with wait times in other countries, we fully support continued improvements in the U.S. entry process. Regardless of other countries, the U.S. should strive to process all passengers within 20 minutes. In order to meet the 20 per person standard, we believe CBP needs to continue to improve efficiency in its use of personnel and increase staffing levels, however, we are unsure of their current staffing situation due to their lack of communication on the matter. Last year, CBP developed a long-term staffing model but have not shared it with the private sector or with Capitol Hill, despite several requests. CBP should share the model with necessary stakeholders, including Congress, the travel industry, and the airports, in order to determine what steps are necessary to meeting the 20 minute per person wait time proposed by our organization.

5. Can we attract more international travelers without improvements to our travel infrastructure?

Thanks to a number of promotion and visa improvements, the United States is well positioned to attract millions of new international visitors. But without major infrastructure upgrades, we risk undermining these efforts. Consider the many strides our nation has made in strengthening our ability to compete for travelers in the global marketplace:

- Brand USA, an innovative public-private partnership responsible for the nation's first-ever advertising and promotion campaign, is convincing millions of travelers around the world to visit the United States.
- Recent improvements to our nation's visa system will enable visitors to plan and prepare for their trips without needless bureaucratic hassles.
- The Obama Administration is pursuing a National Travel and Tourism strategy that has a goal of attracting 100 million international visitors to the U.S. by 2021 – an increase of 40 million over today.

We commend Congress and the Administration for recognizing the vital importance of travel and tourism to our nation's economy and taking these steps to win a larger share of global travelers.

Unfortunately, we believe that our infrastructure needs improvement in order to facilitate the travel of 40 million additional international travelers. Including domestic travelers, the FAA estimates our nation's airports will have to accommodate 200 million more passengers – a total of 1 billion – by 2024. Yet only two new, major airports have opened in the U.S. since the early 1970s. When international visitors arrive in our country they expect a world-class experience. In its recent Global Competitiveness Report, the World Economic Forum ranked countries based on their infrastructure. On travel infrastructure, the U.S. lags behind. Our nation failed to rank among the top 15 countries in the world in rail, roads, ports and aviation. Our aviation infrastructure was ranked 30th in the world, behind countries such as Malta, Qatar, Bahrain and Panama.

The world's largest traveler survey – with 12 million respondents – ranked the top airports in the world. Not one U.S. airport ranked in the top 20 and only two ranked in the top 40 (Cincinnati/Northern Kentucky International and San Francisco International). Due to our substandard infrastructure, too often visitors endure flight delays and cancellations, long waits on the airport tarmac, aging airport terminals, gridlock on roads and highways to their destination and a lack of reliable public transportation options.

This year, more than one billion people will vacation abroad – millions will be traveling internationally for the first time, many from emerging markets. For example, U.S. Travel estimates the number of international travelers from China will grow by 135 percent in the next few years and Brazil by 274 percent. If our country wants to continue to attract new visitors – and keep them coming back – Congress and the federal government must prioritize upgrades to our nation's travel infrastructure. We must strive to provide a travel experience that rivals any other destination in the world.

6. **Have you estimated how many additional Federal employees are needed to meet a 10-day visa processing standard? Have the benefits of such a standard been calculated?**

It has always been our view that a 10-day visa processing standard could be achieved without significant federal personnel expense by adopting a new mindset that injects market competitiveness into consular operations. Last year, we released a 48-page report, entitled *Ready for Takeoff*, detailing the practical steps needed to achieve these objectives – focusing first on Brazil, China and India, where long-haul travel is growing fastest. In our report, U.S. Travel recommended

implementing a more flexible overall staffing model. This included hiring Limited Non-career Appointment consular personnel (LNA) to focus specifically on visa applications, at a fraction of the cost of career consular officers. And since each temporary LNA can generate millions of dollars in fees from visa applicants, they are fully funded, without federal appropriations.

For the U.S. to match Western Europe's current market share in Brazil, China and India by 2015 we estimated it would require increasing the number of interviews to 8.4 million. To meet this demand while maintaining a 10-day processing standard even during peak travel periods, we estimated that 437 LNAs would be needed: 73 in Brazil, 250 in China and 114 in India. Once the immediate demand pressures were alleviated, the need could be reassessed.

In addition, we advocated a more nimble deployment of consular personnel globally, with the option to reassign consular officers countries experiencing particularly high demand. Since 2007, the State Department had moved 74 officers from lower- to higher-priority posts: 24 slots went to Brazil, 24 to China and 14 to India. We recommended sending additional consular officers for one- or two-year tours to these three countries, tasking these officers specifically to help alleviate the heavy visa demand.

We also recommended improving productivity by using these personnel to meet the practical needs of visa applicants. For instance, consulates could consider double and Saturday shifts to make greater use of existing interview space; and commit dedicated LNA officers to focus on visa processing for at least six hours every day. In addition, the State Department could apply demand management methods used commonly in the private sector to project periods of high user demand, in order to affirmatively anticipate predictable seasonal needs in particular countries.

We are pleased that, even in the short time since the Subcommittee hearing, the State Department has made considerable progress toward reducing visa application wait times, including in the key three countries. This has been achieved by implementing many of the recommendations in our report including increased staffing, workload management and facility expansion. By the end of 2012, the State Department will have created 50 new visa adjudicator positions in China and 60 in Brazil, including 43 LNAs. Between October 2011 and July 2012, the State Department deployed 200 temporary-duty consular officers to Brazil and 48 officers to China. Likewise, consular managers in both Brazil and China have realized greater efficiencies by expanding operating hours and maximizing window use.

These innovations reportedly enabled the State Department to dramatically reduce wait times. In Brazil, interview appointment backlogs have decreased by 98 percent over the last year, from 120 to two days. In China, wait times have not exceeded three weeks since last October and are below a week at some consulates. Globally, the U.S. is now interviewing 85 percent of applicants worldwide within three weeks of their applications, compared with 57 percent a year ago.

These wait time reductions are highly commendable but will be truly meaningful only if they can be sustained over time. The State Department vows to maintain low backlogs by continuing to deploy staff to high-demand markets and by hiring additional adjudicators as needed. It is our view that, over the long term, these objectives can be met reliably and consistently only if processing standards are codified in law. That is why we strongly support H.R. 5741, the Jobs Originated Through Launching Travel (JOLT) Act which would set goals of processing visa applications worldwide within three weeks, and in China within 15 days.

7. You advocate setting a passenger wait time goal of 20 minutes per individual at international airports. Does Customs and Border Protection have a “wait time” goal now? If so, what is it?

As recently as this spring, CBP stated that they process 88 percent of travelers in less than 45 minutes and 73 percent in less than 30 minutes - with a national average of 22 minutes. While a 22 minute average appears acceptable, there are instances at airports in the U.S. where passengers wait up to 3 hours for CBP primary processing. For this reason, US Travel advocates for wait time calculation per passenger, rather than an average, to more accurately assess airport-by-airport processing and identify where additional resources or improvements are needed.

In addition to the long-term staffing model previously mentioned, CBP should also be better allocating staff in the short-term based on flight arrivals to ensure booths are staffed during peak hours. CBP has taken several steps to address some staffing shortfalls, including the creation of the Airport Wait Time Console, Express Connect, One Stop, and the continued growth of Global Entry. We believe these initiatives should be expanded along with the Staffing Workload Alignment Tool (SWAT) in order to strive to meet the 20 minute per passenger standard.

Additionally, Congress should work with CBP on their complex funding issues. Most notably, the US-Colombia FTA passed last fall included a provision that eliminated the COBRA fee exemption for travelers from Canada, Mexico, and the Caribbean. The move is expected to result in \$110 million in additional revenue on an annual basis. However, the funding has been dedicated to deficit reduction instead of CBP operations. US Travel believes that any fees paid for by travelers should be reinvested in the travel facilitation process and supports Congressional activity to redirect these funds to CBP in future years.

As inbound travel continues to increase, CBP will be under additional pressure to process international visitors and returning U.S. citizens. In order to keep pace, CBP must assess its long-term staffing model and identify additional revenue sources to hire necessary offices to meet the 20 per passenger standard.

The Honorable G. K. Butterfield

- 1. One of the five main goals of the National Travel and Tourism Strategy is to ensure that U.S. and international visitors are provided a high-quality visitor experience that will achieve high customer satisfaction and inspire repeat visits. In short, tourists should feel they were treated right as they traveled around the country – and for that to happen, those who promote U.S. tourism must take consumer concerns seriously and be able to respond to them promptly and completely.**
 - a. Given its strong support for the National Travel and Tourism Strategy, what does the U.S. Travel Association currently do to identify consumers’ concerns across the various travel and tourism industries and ensure they are addressed?**
 - b. More broadly, as the implementation of the National Travel and Tourism Strategy moves forward, what can be done to make sure that consumer protection concerns are incorporated into the process of developing tourism policy?**

No one is more keenly aware of the needs of travelers than the hospitality industry itself. Consumer satisfaction is the heart and soul of our work: helping to provide an experience for the overseas visitor that is enjoyable and enriching – and which shows off America at our very best. For our industry, it is an overriding objective to put and keep a smile on the face of our customers, even if they’re standing in a long line on a hot day. The international traveler will then

share those warm memories with family, friends and colleagues at home – and encourage return visits to the United States.

Fundamentally, visitors need to feel safe, respected and engaged; the rest of their impressions are of course influenced by satisfaction with accommodations, transportation, food, entertainment and other basic travel needs. From hotels to restaurants, theme parks to ballparks, rental car companies to cruise ships, state tourism officials to convention bureaus – each of our members deals with these issues from the perspective of individual attractions and destinations.

At the same time, the U.S. Travel Association also endeavors aggressively to address them as collective industry concerns. First, we constantly survey our own membership – thousands of travel-related entities in every state – to make sure to hear and digest visitors' concerns. This occurs in a plethora of meetings and conferences in Washington and across the country; and electronically through websites, Facebook and Twitter. We place a high premium on learning what foreign visitors tell our members – and in some cases may not clearly articulate – about their experiences here.

Often, our outreach extends beyond our own membership and directly to the traveling public. For instance, the U.S. Travel Association last year commissioned a blue-ribbon panel to comprehensively study the air security system. As part of the related research, we created and promoted a website (www.voiceoftraveler.org) that solicited public comment. The website received over 3000 responses and many of those suggestions were reflected in the final 40-page report, which itself received considerable attention, including in House and Senate committee hearings and within relevant federal agencies.

On behalf of both travelers and a healthy industry, the U.S. Travel Association views consumer protection as one of our high priority missions. In answer to the Subcommittee question below, for instance, we detail how we approached the chronic and entirely reasonable consumer frustration with ancillary fees for checked airline baggage – including its ramifications for onboard congestion. Our response was to carefully assess the problem, through industry and public opinion surveys; to commission a blue-ribbon panel to propose practical solutions; and to bring those recommendations to policymakers in the Congress and relevant federal agencies, as well as into the mainstream and industry trade press. We may not be able to single-handedly solve every problem, but we can bring considerable professional expertise to assess consumer needs – and then do our best to make certain that relevant public officials respond appropriately.

2. **During the recent National Travel and Tourism Week, several visitors to Congressional offices raised concerns about ancillary travel fees, especially those imposed on passengers by the airline industry. International travelers often spend tens of thousands of dollars on trips to the United States and then feel as if they have been nicked-and-dimed by fees. Those feelings linger as they discuss their trip when they are back home.**
 - i. **What proactive steps is the U.S. Travel Association taking to address concerns over ancillary travel fees? Have any of your members or industries witnessed any negative effects on tourism spending or customer morale as the result of ancillary fees assessed by airlines? If so, please provide a detailed explanation of what these effects have been.**
 - ii. **Ancillary travel fees have also caused many people – especially domestic family travelers – to use carry-on bags instead of checked bags when traveling. What is the cost to your relevant members (including, but not necessarily limited to, airlines and airports) of an increase in carry-on luggage? An influx of carry-on bags certainly creates delays and**

frustration – but beyond that, please explain in greater detail what the costs are to your members. In addition, do your members incur any costs from delays at TSA screening lines that may result from the greater use of carry-on luggage?

In 2010, U.S. Travel formed a blue-ribbon panel to help create a vision for the world's most secure, efficient and customer-friendly air travel security screening process. The group included Tom Ridge, former Secretary of Homeland Security; Robert Crandall, former president and CEO of American Airlines; Jim Turner, former Democratic Chairman of the House Homeland Security Committee; Dave Bronzek, president and CEO of FedEx Express; Sam Gilliland, president and CEO of Sabre Holdings; and other experts in aviation security, queuing, technology, privacy and economics. Recent research had revealed growing traveler frustration with the air travel security screening process and a significant negative economic impact from fewer travelers flying due to unnecessary hassles.

A U.S. Travel Association survey had revealed that 84 percent of travelers negatively equated air travel security screening with the process they experience at their local department of motor vehicles and 80 percent believed that customer service could be enhanced with strengthened security. The panel's report, released in March 2011, was entitled *A Better Way: Building a World-Class System for Aviation Security* (http://www.ustravel.org/sites/default/files/page/2011/03/A_Better_Way_032011.pdf). One of its key findings explicitly addressed the question of airline passenger baggage.

The panel report concluded that Congress and the TSA must find ways to encourage fewer carry-on bags. As the Subcommittee question observed, the recent trend of most airlines charging separate fees for every checked bag has resulted in many airline passengers carrying-on substantially more baggage. The increased volume of carry-on baggage is causing significant checkpoint congestion, negatively impacting security and causing strains on TSA personnel and resources. The numbers speak for themselves. The New York Times recently reported that TSA screen an estimated 59 million more carry-on bags in 2010 than in 2009. TSA also estimates that carry-on bags processed at the checkpoints increased by about 87 million from FY 2010 through FY 2011 and will continue to increase by 29 million for FY 2012. According to TSA, this explosion in the volume of carry-on bags costs the taxpayer over \$260 million annually.

Our blue ribbon panel proposed to deal with this problem by requiring that airlines include one checked bag as part of the base fare of an airline ticket. It is important to note that under the panel's recommendation, passengers would not be entitled to a free checked bag. Airlines would be able to cover the costs of checking one bag in the base fare of the ticket and set that price to whatever level they desire.

A 2011 survey conducted by Equation Research found that travelers would likely change their behavior if such a proposal were enacted. The survey showed that two-thirds of travelers would be willing to carry on one less item if it meant being able to check one item at no extra fee. It was the panel's further recommendation that the Transportation Department should set a standard for the number and size of items that a passenger may carry onboard a commercial aircraft.

Today, each airline has its own rules and equipment governing what customers can carry on and this creates confusion in the travel community. Whether a bag is eligible to be carried on should not be dependent on the particular aircraft or airline. With a DOT standard in place, airlines would be charged with enforcing these standards, and travelers would have consistent criteria for deciding of whether to carry on or check their bag.

It is difficult to exaggerate the depth of public exasperation with current baggage fees. In late 2011, the U.S. Travel Association commissioned a detailed public opinion survey by TNS TravelsAmerica

on the most frustrating aspects of the travel experience. At the top of that list over 72.4 percent of respondents chose "people who bring too many carry-on bags through the security checkpoint. Perhaps not surprisingly, four of the top five frustrations with flying directly related to the TSA passenger screening process, although it must be added that a majority also said they thought the agency's evolving efforts to improve the process were heading in the right direction.

This data reflect a consistent trend over the several years that we have been tracking these issues. Our first such survey in 2008 concluded that frustration with the air travel system caused passengers to avoid an estimated 41 million trips over the previous 12 months at a cost of more than \$28 billion to the U.S. economy. The survey, performed jointly by Peter D. Hart Research Associates and The Winston Group, specific referenced inefficient security screening and flight cancelations/delays as the principle gripes. At the time, our research department calculated that these forgone trips rippled outward across the entire travel community, costing airlines more than \$9 billion in revenue and restaurants more than \$3 billion. Reduced spending by travelers also yielded over \$4 billion in lost tax revenue to the federal, state and local governments.

3. **What is the net, industry-wide impact of airline arrival delays on: (a) the revenue of hotels, resorts, and other accommodations providers; and (b) the revenue of attractions providers? If any of the U.S. Travel Association's members or industries have been negatively affected, financially, by airline arrival delays, please detail what steps the Association has taken to work with individual airlines or airline associations to ease the harm done to its members.**

With an aviation navigation system that relies on ground-based, World War II-era technology, flight delays and long waits on the airport tarmac are virtually inevitable and cause a ripple effect throughout the entire travel industry. There is little doubt that such delays impact the revenue of hotels and resorts and limit the number of visitors to destinations around the country.

Flight delays and cancelled trips cost our economy dearly. The U.S. Chamber of Commerce estimates that Americans lose \$9 billion in productivity each year due to flight delays. In 2009, the Partnership for New York City released a comprehensive study assessing the economic impact of congestion at JFK, LaGuardia and Newark. According to the study, flight delays cost the regional economy \$2.6 billion in 2008.

To date, no industry-wide assessment of the impact flight delays have on specific sectors of the travel industry has been conducted. However, the U.S. Travel Association recently commissioned the Eno Center for Transportation to examine this impact. Initial results are expected in November 2012 and we would be happy to share our findings with the Committee at that time in order to find solutions to this serious problem.

September 6, 2012

Ms. Deborah Marriott Harrison
Senior Vice President
Government Affairs
Marriott International
10400 Fernwood Road
Bethesda, MD 20817

Dear Ms. Harrison,

Thank you for appearing before the Subcommittee on Commerce, Manufacturing, and Trade on Wednesday, May 16, 2012, to testify at the hearing entitled "Where the Jobs Are: Promoting Tourism to America."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for 10 business days to permit Members to submit additional questions to witnesses, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and then (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions by the close of business on Thursday, September 20, 2012. Your responses should be e-mailed to the Legislative Clerk, in Word or PDF format, at Kirby.Howard@mail.house.gov.

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,

Mary Bono Mack
Chairman
Subcommittee on Commerce,
Manufacturing, and Trade

cc: G.K. Butterfield, Ranking Member, Subcommittee on Commerce, Manufacturing, and Trade

Attachment

The Honorable Mary Bono Mack

- 1. The original legislative language that led to the creation of BrandUSA contained a restriction on the promotion of specific companies or attractions. That language was dropped at some point before the legislative proposal became law. Do you believe that the funds or in-kind contributions to BrandUSA are appropriate to market specific attractions, regions, or companies? Do you have recommendations on how BrandUSA can guard against picking winners and losers?**

The mission of Brand USA is to market the United States as a destination and compete for a greater share of the growing global travel market. Marriott understood these broad marketing goals when deciding to invest in Brand USA, and we view our potential return on investment as increased international visitation to the U.S.

There may be instances where marketing efforts are co-branded with companies or destinations with the intent of augmenting Brand USA's broad mission. The added lift from prospective co-branding opportunities should be seen as a means to elevate Brand USA, expand the reach of Brand USA's message, and provide valuable platforms that might not be available without such strategic partnerships with both public and private supporters. Robust oversight from the Board and Departments of Commerce and Treasury will help ensure they stay true to their mission and create a rising customer pool benefiting a diverse range of public and private interests.

September 5, 2012

Mr. Scott White
President and CEO
Greater Palm Springs Convention and Visitors Bureau
70-100 Highway 111
Rancho Mirage, CA 92270

Dear Mr. White,

Thank you for appearing before the Subcommittee on Commerce, Manufacturing, and Trade on Wednesday, May 16, 2012, to testify at the hearing entitled "Where the Jobs Are: Promoting Tourism to America."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for 10 business days to permit Members to submit additional questions to witnesses, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and then (3) your answer to that question in plain text.

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Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,

Mary Bono Mack
Chairman
Subcommittee on Commerce,
Manufacturing, and Trade

cc: G.K. Butterfield, Ranking Member, Subcommittee on Commerce, Manufacturing, and Trade

Attachment

The Honorable Mary Bono Mack

1. Assistant Secretary Lamb-Hale referenced in her testimony a number of different Federal offices, boards, and groups related to travel and tourism: the Tourism Policy Council, the Export Council, the U.S. Travel and Tourism Advisory Board, a national travel and tourism office at Commerce, the Task Force on Travel and Competitiveness, the International Trade Administration at Commerce, and the Office of Travel and Tourism Industries at Commerce. Have you interacted with any of these (or other) Federal boards and offices on tourism? If so, are you satisfied with your interaction or is there room for improvement?

Answer:

We primarily work with the U.S. Travel Association, Brand USA and Visit California. We receive monthly statistical information on arrivals to the United States from OTTI. We also participate in their webinars on international markets such as "International Travel & Tourism Markets Australia to the United States" and "Catering to the Chinese Tourist." They offer these on a quarterly basis. We do not interact with the remaining agencies noted. It may be helpful if all Destination Marketing Organizations (DMO's) had a summary of what the goals, objectives and resources are for the all of the agencies noted. We may be missing out on valuable information or resources. DMAI (Destination Marketing Association International) can assist with dissemination of the information.

2. Brand USA is meant to be the marketing force for the United States, but it would be impossible to promote all State and local attractions at once. Do you have any thoughts on how Brand USA can be helpful to all regions without effectively picking winners and losers?

Answer:

Brand USA is vital for our country and our destination to compete on global basis. Their efforts augment our efforts. We cannot expect Brand USA to promote individual cities and regions, it is not feasible. They are promoting the overall experience of the USA and those efforts will help us become more successful. It is incumbent upon us (Greater Palm Springs) to ensure we maximize our opportunities and participate in co-op programs, generate new content for their web site; DiscoverAmerica.com and leverage our relationship with closest gateway airport / city, Los Angeles. We also partner with our state office of tourism, Visit California. International visitors stay an average of 13-16 days and will visit multiple cities and regions during their holiday. We are providing the information, suggested itineraries, our brand promise and connecting the visitor with the local businesses in the region. Brand USA and Visit California provide us with the opportunities to compete with other countries. As an example, we are close to Mexico and travelers from Canada are being marketed to by Mexico on a regular basis, driving awareness, demand and supporting their regions and individual cities.

As we approach tour operators to include our region in their programs, they realize the Brand USA marketing will drive demand, awareness and much needed support. That tour company is being approached by many countries and regions to develop programs and that tour operator has to decide which market is going to provide the greatest return on investment. The demand generated by the marketing efforts of Brand USA will give us an advantage over our competition and allow us to secure more partnership or enhance our current partnerships.

International visitation is our greatest opportunity for our destination to diversify and grow an important segment and positively impact our off-season. The Travel Promotion Act and the creation of Brand USA are vital for the United States, California and the Palm Springs region to be competitive.