

January 14, 2009

President-elect Barack Obama  
Executive Office of the President-elect  
451 6<sup>th</sup> Street, NW  
Washington, D.C. 20001

Dear Mr. President-elect:

The following members of the travel and tourism sector of the U.S. economy are pleased to submit seven recommendations for your consideration.

Over thirty leading national representatives within this sector met December 16 at the new Capitol Visitors Center to develop high priority consensus recommendations to help you achieve our national goal to improve our economy.

The first section of our report outlines recommendations that should fit into the immediate stimulus legislation you are organizing.

The remainder of the recommendations also will help grow the economy through the travel and tourism sector which is one the fastest ways to generate immediate job growth.

All of us stand ready to assist you in any way possible at this challenging time.

Thank you for your leadership.

Yours truly,

Peter Pantuso  
President  
American Bus Association

O. Matt Thomas  
Managing Director  
BM&T Multicultural Forum

Dayton L. Sherrouse  
Chairman  
Alliance of National Heritage Areas

Terry L. Dale  
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Derrick Crandall  
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Charlie Presley  
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David Parry  
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Michael Palmer  
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Student Youth Travel Association

Brian Mullis  
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Bruce Beckham  
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Charlotte Haymore  
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Victor Parra  
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David Clemmons  
Founder  
Voluntourism.org

Kevin Wright  
President  
World Religious Travel Association

# HOW TO FUEL THE U.S. ECONOMY THROUGH TRAVEL & TOURISM

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7 RECOMMENDATIONS FROM THE ECONOMIC SUMMIT  
OF TRAVEL & TOURISM SECTOR LEADERS

BASED ON THE DECEMBER 16, 2008  
ECONOMIC SUMMIT

WASHINGTON, D.C.

## **TRAVEL & TOURISM AND THE U.S. ECONOMY**

- For the U.S. economy, travel and tourism annually generates **\$1.7 trillion** and approximately **17 million jobs**.
- Spanning every state and congressional district, economic benefits of travel and tourism generated more than **\$115 billion in tax revenue** in 2007.
- Tourism is either the first, second or third largest employer in 29 states.
- **International travel is America's most lucrative services export.** Travel and tourism exports accounted for **7.5 percent of all U.S. exports of goods and services and 25 percent of services exports** in 2007. That includes international passenger fares and international traveler spending in the U.S.
- An increase of just 1 percent in international travel market share would produce **\$13.5 billion in additional revenue for the U.S. economy**.
- Adding 10 million additional international visitors every year boosts the U.S. economy **\$12 billion per year**. That is **151,000 new jobs** and **\$2 billion** in federal, state and local tax revenues.

(Source: U.S. Travel Association.)

## **7 RECOMMENDATIONS FROM TRAVEL & TOURISM SECTOR LEADERS**

On Dec. 16, 2008, 37 U.S. travel and tour entities gathered in Washington, D.C., for a historic meeting. Traditionally segmented by specific interests, these voices united for the first time to identify immediate top priorities for President-elect Obama's Transition Team that will help fuel America's economy.

As a collective voice, they speak for more than 82,000 businesses and members and stand ready to assist the new Administration in leveraging the travel and tourism sector as a stimulus for the national economy and global competitiveness.

Presented below are the seven recommendations. Summit participants felt that the following three items should be included in the Administration stimulus plan:

### **1. FEDERAL GRANTS AND LOANS FOR TRAVEL & TOURISM DEVELOPMENT AT THE REGIONAL, STATE AND LOCAL LEVELS**

An aggressive program of expanding current grants and creating new grants for marketing, development, and tourism promotion should be established now.

Creation of new grant opportunities, such as the existing Market Developer Cooperator Program housed in the Department of Commerce, would:

- Create jobs through tourism growth and new market creation.
- Create educational and training opportunities for tourism-related jobs, thus enhancing the overall quality of tourism products and services.
- Preserve cultural and environmental heritage through tourism promotion and development.
- Preserve and enhance cultural and heritage areas, especially in targeted urban and rural areas, through development grants.

Evidence shows big returns on investment from tourism marketing and development, and more needs to be done at the federal level to ensure that our country has the best possible products and services to offer international and domestic travelers. While many departments provide grants for specialized products such as agricultural or heritage tourism, more needs to be done to stimulate intra-regional travel, develop new tourism destinations and grow existing markets.

In addition, it is well established that small businesses are a prime source of entrepreneurship in our economy, resulting in large aggregate investment and job creation. The travel and tourism industry is populated with many small businesses in many sectors.

As such, the Small Business Administration should re-institute the Economic Injury Disaster Loan Program as soon as possible, using the successful model from 2001. Also, the Administration's stimulus package for Congressional action should include an investment tax credit program for small business investments in information-related technologies to help them remain competitive and overcome huge challenges in keeping up with rapid technological advances in information technology that is the backbone of their businesses.

## **2. INCLUSION OF THE TRAVEL PROMOTION ACT OF 2008**

### **(H.R. 3232, S. 1661) IN THE NEXT ECONOMIC STIMULUS PLAN**

The U.S. market share of international tourism is declining and that is having an enormous impact on the U.S. economy. In 2007, the U.S. welcomed two million fewer overseas visitors than in 2000, despite an increase of 35 million new long-haul travelers around the world during a time when a weak dollar should be increasing travelers. Being unable to keep pace with growth in overseas travelers since 2001 has cost the U.S. an additional 46 million visitors, \$140 billion in visitor spending and \$23 billion in tax receipts. (Source: U.S. Travel Association.)

While states, cities and regions do an admirable job promoting their own areas, they are unable to promote the U.S. as a whole. The lack of national promotion causes all regions to suffer. The Travel Promotion Act of 2008 (H.R. 3232 and S. 1661), introduced in the Senate and passed in the House, would address America's international travel marketing crisis by establishing a travel promotion campaign funded equally by contributions from the travel private sector and fees from overseas travelers.

The Act also creates the Corporation for Travel Promotion, an independent, non-profit corporation. The Corporation would oversee a nationally coordinated, public-private campaign to clearly explain U.S. security policies, improve perceptions of the U.S. travel process and promote America as a premier travel destination.

As raw fuel for the economy, nothing works better than promotion. The proof is seen in the success of the U.S. Department of Commerce's British advertising and promotional campaign. An investment of \$6 million dollars in a promotional campaign to increase visitation from the UK resulted in an additional 360,000 additional British travelers, who spent \$481 million in the U.S. and generated more than \$79.9 million in federal, state and local taxes. In fact, more than \$13 was generated in federal and local taxes for each federal dollar spent. (Source: Longwoods International.)

Other state-specific studies show similar results, concluding that unlike other government programs, tourism is a revenue generator and not a cost to the state treasury. (Source: Longwoods International.)

## **3. PROVISION OF FUNDING FOR FEDERAL LANDS**

"With all the recreation choices available, national parks still draw more visits than Major League Baseball, the National Football League, professional basketball, soccer and NASCAR combined."

—Mary Bomar, National Park Service Director

Visitors to our nation's public lands—the one in three acres managed by federal agencies—play an important role in the economic well-being of the communities that welcome them and the businesses that serve them. The seamless efforts of federal agencies and private businesses working in partnership to provide transportation, accommodations and more are vital to quality experiences on public lands.

In recent years, visitation to public lands has declined. There are many reasons, but one of the biggest problems is lack of up-to-date visitor services and well-maintained facilities that meet the needs and interests of today's visitors. A general lack of public awareness of the recreation opportunities and resources available on public lands also plays a factor.

These public lands are a tremendous asset for our nation and a long-time driver of the economy for tourism and recreation. The Administration should:

- Include “Ready to go” maintenance projects, both on site and in nearby communities to create a better visitor experience, thus creating jobs and promoting local economic development.
- Expand the capacity of federal land-management agencies to encourage and coordinate volunteer efforts on public lands. Voluntourism is a growing trend and should be tapped to supply a reservoir of willing manpower for National Parks and other public lands.
- Increase funding for the youth conservation and service organizations to work on infrastructure and visitor services on public lands and in nearby communities. Participants could earn an economic stipend, college credits, education assistance, grants, etc., while learning about the benefits of America’s outdoor, natural and historical legacy and the importance of natural and cultural sustainability.

The remaining four items, which also can stimulate the economy, are additional recommendations for short-term Administration action:

#### **4. ESTABLISHMENT OF AN EXECUTIVE OFFICE OF TRAVEL AND TOURISM**

The U.S. is the only industrialized nation without a national, coordinated effort to promote travel and tourism, yet every federal department develops and implements policy related to travel and/or tourism issues—without communication or coordination with other departments or the travel industry.

A White House executive position that speaks to and for the President should coordinate federal programs and issues relating to travel, tourism and culture among the various departments. This office would create an elevated voice for travel and tourism within government that enhances the nation’s competitive standing in the global travel markets. (For more information see Restoring America’s Travel Brand: Strategic Recommendations, a white paper drafted by the United States Travel and Tourism Advisory Board in August 2006.)

#### **5. THE CREATION OF MORE USER-FRIENDLY VISA REGULATIONS AND PROCEDURES FOR EASING U.S. ENTRY/EXIT SYSTEMS**

Travel to the U.S. has declined for many reasons since 9/11, but none more poignant than a worldwide perception that travelers are not as welcome in America. The Administration should:

- Create additional visa facilities to facilitate in-person visa meetings.
- Reduce visa fees to increase foreign visitation and expenditures in the United States.
- Provide customer service and sensitivity training for Customs and Border personnel so that a more welcoming image and experience can be guaranteed for visitors while maintaining the highest levels of security.

Inefficient visa processing, poor entry experiences, poor communication of new U.S. security policies and countless negative stories in the foreign press about the U.S. travel process harm America’s economy. While prompt issuance of passports and visas can stimulate visitation, commerce and trade, the current visa process has lost the U.S. thousands of international tourists. The current process of obtaining visas, including the limited number of sites for in-person interviews, non-refundable fees

(whether or not the visa is issued), and the waiting time for decisions, all serve as a deterrent to international travel to the U.S. and economic growth.

## **6. PASSING HIGHWAY REAUTHORIZATION, INCLUDING TOURISM DEVELOPMENT PROJECTS**

More than 80 percent of all leisure and business travel occurs on our nation's highways. Guaranteeing national mobility and ensuring travelers reach their intended destinations safely and on time requires significant investment in our surface transportation system.

An important key to tourism growth is a healthy, efficient transportation infrastructure, including air, port, rail and road. Investment in infrastructure for intermodal transportation creates short-term and long-term jobs. This Administration should:

- Fully fund the 2009 Highway Reauthorization Bill.
- Maximize private/public partnerships to reduce federal spending while increasing use of private-sector resources through the U.S. Department of Transportation.
- Maximize intermodal systems and facilities to increase U.S. transportation efficiency and international competitiveness.
- Maximize interoperability of electronic payment systems to increase efficiency and lessen transaction costs.
- Create financial incentives for state adoption of proposed federal standards regarding the establishment of intermodal transportation connections, payment and information systems.
- Support transportation enhancements, including Welcome Centers, rails-to-trails conversions, the Scenic Byways, Federal Lands Highways and Recreational Trails Programs.
- Ensure that compliance enforcement is fair, consistent and reasonable through the U.S. DOT.
- Examine the funding infrastructure, specifically the use of user fees for transportation projects in lieu of taxes. This includes allowing the private sector to be given the same advantages as the publicly-funded transit industry, as it relates to tolling, axle weight issues, congestion pricing and other issues.

## **7. RE-EXAMINATION OF TRAVEL BANS**

On rare occasions, the United States government has restricted or banned travel to certain countries as a punitive economic measure or to advance other foreign policy goals. It is recommended that the incoming Administration re-examine this practice and to eliminate any such bans currently in effect.

The use of travel freedom as an instrument of foreign policy manipulation ultimately harms the very citizens it purports to protect. Were the American people allowed the opportunity to travel to countries whose leaders are publicly opposed to American interests, they could serve as ambassadors of freedom and American values to those nations. The travel and tourism industries, those who do business with them, and the broader economy will see both immediate and long-term economic gains as the easing

of travel bans leads to increased demand for new passenger routes, tour operations, and travel agent services. It is recommended that the incoming Administration:

- Recognize that freedom to travel is an important instrument of economic development and mutual understanding.
- Adopt as policy that the citizens of the United States should be free to travel the globe without artificial restrictions placed on them by their own government.
- Promote the benefits of unfettered travel for U.S. citizens as a matter of national policy.

### **MOVING FORWARD**

These recommendations are presented to help immediately stimulate the national economy. Leaders of the tourism sector of the national economy are available and eager to meet with members of the transition team and the new Administration to develop comprehensive strategies for tourism growth and development, which will lead to more jobs, a better tourism product and a more globally competitive national tourism sector.

Feel free to contact any of the participants or their organizations listed on the following pages for more information.



American Bus Association  
Peter Pantuso, President



Alliance of National Heritage Areas  
Dayton L. Sherrouse, Chairman



American Recreation Coalition  
Derrick Crandall, President & CEO



American Society of Travel Agents  
Paul Ruden, Senior Vice President



American Tourism Society  
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Association of Travel Marketing Executives  
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Sustainable Travel International  
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