

S. 1661 & H.R. 3232 - The Travel Promotion Act

More Visitors · Stronger Economy, Public Diplomacy · No Taxpayer Dollars

Overseas Travel to the United States Down Despite Extraordinarily Weak Dollar

Overseas travel to the United States was down eight percent in 2007 compared to 2000 (Dept. of Commerce). In contrast, the global overseas travel market grew nearly 30 percent, amounting to 35 million new travelers. Not only did the United States fail to capture any of those 35 million travelers, it *lost* two million overseas travelers in that time. Travelers are avoiding the United States due to concerns over the visa and entry experience and a global perception that visitors are not as welcome as they were prior to 9/11.

Welcoming More Visitors is Critical to America's Economy and Public Diplomacy Efforts

Had the United States kept pace with trends in global overseas travel, it would have had an additional \$137 billion in visitor spending, \$22 billion in tax receipts and 229,000 jobs (Travel Industry Association, TIA). Losing travelers also means missing an opportunity to win hearts and minds as those who have visited the United States are 74 percent more likely to have a favorable opinion of the country than those who have not (TIA).

The Travel Promotion Act Features Private Sector Execution, Public Accountability at No Cost to American Taxpayers

The Travel Promotion Act (TPA) is built on the premise that (a) America benefits by welcoming more visitors, (b) communication and promotion is critical to welcoming more visitors, and (c) effective communication combines the talents of the private sector with the oversight of the public without any cost to taxpayers.

The TPA creates a non-profit corporation, subject to Congressional and Executive Branch oversight, to execute a nationally coordinated travel promotion program similar to every other developed nation in the world. The program would effectively communicate U.S. security policies, reverse negative perceptions about the U.S. travel experience and promote the United States as a premier travel destination. Voluntary private sector contributions of up to \$100 million would be matched by a \$10 fee on travelers entering the United States from countries in the Visa Waiver Program (VWP). The \$10 fee would be collected through the Department of Homeland Security's (DHS) new Electronic Travel Authorization system (ETA).

Modest Matching Fee Collected by Electronic Travel Authorization Can Increase Travel

Travelers from VWP countries do not pay \$131 for a visa or travel to an American consulate for a personal interview. Congress authorized the ETA program in 2007 to pre-screen travelers from VWP countries prior to their arrival in the United States. DHS will use biographic data submitted electronically by the traveler in advance of their trip to assess their security risk and determine the person's eligibility to travel to the United States. Although collecting a user fee is new for the United States, American travelers frequently pay fees – up to \$160 in the United Kingdom – to fund other nation's promotion programs.

Legislation Moving through Senate and House with Broad, Bipartisan Support

S. 1661 is sponsored by Senators Dorgan, Stevens and Inouye and co-sponsored by a bipartisan group of more than 40 Senators, including Senators Biden, Coleman, Leahy, Schumer, Feinstein and Bond. The bill was approved by the Senate Commerce Committee and awaits floor action by the full Senate. The House companion bill, H.R. 3232, is sponsored by Representatives Delahunt and Blunt and is co-sponsored by more than 200 Members of the House of Representatives.

The Travel Promotion Act

S. 1661 & H.R. 3232

The Situation:

- Overseas travel to the United States is down 8 percent since September 11, 2001. (Dept. of Commerce)
- Over that same period of time, the global travel market has grown by nearly 30 percent. (WTO)
- The decline in travel to the U.S. has cost \$137 billion in visitor spending, \$22 billion in tax receipts and 230,000 American jobs (Travel Industry Association).

Travel Promotion Act:

- Requires no money from American taxpayers. Funded jointly by private sector contributions and a modest fee on travelers from Visa Waiver countries (similar to fees that Americans pay when traveling abroad).
- Establishes a communications and promotion campaign on par with America's global competitors.
- 35:1 return on investment in visitor spending, 6:1 in tax revenues and millions of new visitors. (Oxford Economics)
- Combines private sector execution with public sector accountability by creating a non-profit corporation subject to Congressional and Administration oversight.
- Entity to communicate U.S. travel policies, highlight improvements in travel experience and compete for visitors.

S. 1661

H.R. 3232

Corporation for Travel Promotion	An independent, non-profit corporation governed by a 14-member board of directors appointed by the Secretary of Commerce <i>in consultation with the Secretaries Homeland Security, State and Education</i> . Board members required to have professional expertise in international travel promotion/marketing and to broadly represent all regions of the U.S. The Corporation must develop/execute a plan to: (1) provide information to travelers to the U.S. (entry requirements, fees, documents, processes, etc.); (2) counter misperceptions regarding U.S. travel policy; (3) promote the U.S. to world travelers; (4) ensure international travel benefits all 50 States and D.C., including areas not traditionally visited by international travelers; and (5) prioritize populations most likely to travel to the U.S. An independent accounting firm must conduct an annual audit of its operations, and the Comptroller General must have full and complete access to the books and records of the Corporation. *bold indicates bill language exclusive to S.1661
Accountability Measures	The Corporation's Board must establish annual objectives for the Corporation subject to approval by the Secretary of Commerce, and must submit an annual budget to the Secretary – and make it public – with an explanation of any expenditure in excess of \$5 million. The Corporation must submit an annual report to Congress detailing its activities, accomplishments, measurements of progress, reasons for any failures, and recommendations.
Matching Public and Private Funding	Establishes a Travel Promotion Fund, initially financed by a \$10 million loan from the U.S. Treasury to be repaid by non-Federal sources before October 1, 2012. Subsequently, the Corporation will be funded by private industry contributions matched by public funding generated by user fees paid by travelers from Visa Waiver countries. Industry contributions may come from in-kind contributions, though at least 20 percent of the private-sector contributions must be in cash. By FY 2010, industry will provide at least 50 percent of all funding. Public funding (user fees) will not exceed \$100 million per year.
Travel Promotion Fund Fees	Public contributions to the Fund will be financed by a \$10 fee paid by overseas travelers from Visa Waiver countries (collected via the Electronic Travel Authorization system).
Assessment	Corporation may conduct a referendum to determine if industry is willing to assess itself.
Commerce Undersecretary	Serve as liaison to Corporation, develop programs to increase the number of international visitors to the U.S., supervise activities of the Office of Travel and Tourism Industries (OTTI), and work with the Secretaries of State and Homeland Security to improve entry and departure experience.
<i>Fund Investments</i>	<i>The Corporation may invest funds only in obligations of the United States or any agency thereof.</i>
<i>Amendments to Int'l Travel Act of 1961</i>	<i>Improves the interaction between various govt. agencies and the travel industry. Calls on Tourism Policy Council to meet twice annually and to provide the Corporation with timely information regarding int'l traveler processing. Repeals authorities relating to the U.S. Travel and Tourism Advisory Board.</i>
House Sponsors	See Next Page.
Senate Sponsors	See Next Page.