

## ***WSTPC 2009 ISSUE PAPER: INT'L TOURISM MARKETING***

**BACKGROUND:** Since the 1995 demise of the U.S. Travel and Tourism Administration, the United States has been the only western industrialized nation without a national tourism agency and the U.S. share of the global tourism market has steadily declined, meaning lost revenue and lost jobs to the U.S., made even worse by the fact that international visitors typically stay longer and spend more on their vacation trips than do Americans. A significant industry effort has been underway for the past several years to develop support for two broad goals.

In the last 110<sup>th</sup> Congress, S. 1661, *The Travel Promotion Act of 2007*, with strong industry support, was approved by the Senate Committee on Commerce, Science and Transportation. A companion bill, H.R. 3232, passed the House of Representatives. Both bills called for a public-private corporation to promote and market the U.S. as an international travel destination. H. R. 3232 passed the House in 9/08 but S. 1661 was not voted on in the Senate. Efforts to include the legislation in the 2009 Stimulus Bill were unsuccessful.

S. 1023, the Travel Promotion Act of 2009, was introduced in the 111<sup>th</sup> Congress 5/12/09, by Senators Dorgan (D-ND) and Ensign (R-NV) and other cosponsors. Nearly identical to S. 1661, it replaces the Under Secretary of Commerce in S. 1661 with a Director of the Office of Travel Promotion and directs that two of the eleven member corporation board must be State tourism officials. All witnesses at a 5/13/09 hearing by the Commerce Subcommittee on Competitiveness, Innovation and Export Promotion supported the new bill.

In the meantime, a companion bill, the Travel Promotion Act of 2009, has been introduced in the House of Representatives by Congressmen William Delahunt (D-MA) and Roy Blunt (R-MO) as H.R. 2935. Both Senate and House bills would establish a public-private corporation, with an eleven member board of directors, to increase international visitation to the U.S. Both bills would require this new corporation to “identify opportunities and strategies to promote tourism to rural and urban areas equally.” Both would provide \$100 million in annual Federal funding from a new charge collected from visitors from visa waiver countries that would have to be matched by private sector funding. Both would authorize a mandatory self-imposed assessment on travel and tourism businesses to generate the matching funds. In the 110<sup>th</sup> Congress, more than a majority of the House cosponsored similar legislation, which actually passed the House but did not get a vote in the Senate.

Differences between the two bills include: (1) The Senate bill mandates **two** positions of the corporation's board of directors to be filled by someone with “appropriate experience and expertise as an official of a State Tourism Office” while the House bill only requires that one position be filled by someone with those credentials. (2) The Senate bill establishes a new Office of Travel Promotion in the Department of Commerce while the House bill is silent on such an office, leaving no one between the new corporation and the Secretary of Commerce (who appoints the board of directors).

**ISSUES:** Whether the Federal government should support an international tourism marketing program and/or campaign, with adequate funding? What should the elements of that program be?

**IMPORT:** International visitors are a significant component of western tourism markets.

**STATUS & OUTLOOK:** S. 1023 passed the Senate on September 9, 2009, on a voice vote under cloture. Action is now awaited in the House on H.R. 2935.

**WSTPC POSITION:** The WSTPC supports a public-private international tourism marketing campaign and endorses the Travel Promotion Act. The WSTPC prefers S. 1023 because it would create two seats on the new corporation's board of directors requiring state tourism office backgrounds.

The WSTPC believes enactment of S. 1023 and establishment of the new Corporation for Travel Promotion would:

- (1) Enable the U.S. to regain its fair share of the global tourism market, which has been in decline for nearly twenty years;
- (2) Have a positive economic impact by supporting more jobs in the U.S. tourism industry to serve more international visitors;
- (3) Have a positive impact on national security by enhancing the international image of the U.S. as a welcoming, open society.

9/9/09