

WRITTEN STATEMENT

OF

Ms. TORI EMERSON BARNES EXECUTIVE VICE PRESIDENT, PUBLIC AFFAIRS AND POLICY U.S. TRAVEL ASSOCIATION

ON

"REAUTHORIZING BRAND USA"

BEFORE THE
HOUSE COMMITTEE ON ENERGY AND COMMERCE,
SUBCOMMITTEE ON CONSUMER PROTECTION
OCTOBER 29, 2019

U.S. TRAVEL ASSOCIATION

1100 NEW YORK AVENUE WASHINGTON, DC 20005-3934 202.408.8422 FAX 202.408.1255 Chairwoman Schakowsky, Ranking Member McMorris Rodgers, members of the Subcommittee, good afternoon. I'm Tori Barnes, Executive Vice President of Public Affairs and Policy for the U.S. Travel Association. Not only would I like to thank the subcommittee Chairwoman and Ranking Member, but also Chairman Pallone, Ranking Member Walden and the committee for taking the time to prioritize this critically important issue on the legislative calendar. I would also like to thank Congressmen Welch and Bilirakis for their tireless efforts championing this bill. Brand USA does all of its important work at no cost to U.S. taxpayers, and it is absolutely crucial that Congress reauthorizes the program this year.

U.S. Travel is the only association that represents all sectors of the travel industry—hotels, airports, state and local tourism offices, car rental companies, theme parks and attractions and many others. Our membership is diverse, but we're aligned behind a focused mission—to increase travel to and within the United States.

In 2018, spending by nearly 80 million international visitors to the U.S. produced \$256 billion in export income for the American economy. Overseas visitors spend approximately \$4,200 per trip and stay an average of 18 days—spending money on hotels and transportation as well as in restaurants, retail establishments, and more. And 74% of these visitors leave with a more favorable view of the United States.

International visitor spending is essential to growing the economy and the American workforce. But the United States is rapidly losing its share of the global travel market, dropping from 13.7% in 2015 to just 11.7% in 2018. That decline represents a difference of 14 million

¹ https://www.ustravel.org/system/files/media root/document/Research Fact-Sheet US-Travel-Answer-Sheet.pdf

visitors, and a hit to the economy of about \$60 billion in spending and 120,000 American jobs.² If nothing is done, our market share will continue to erode and is projected to fall below 11% by 2021.³ This is why it is crucial for Congress to reauthorize Brand USA this year.

If Brand USA were eliminated, the United States would be the only top-20 country destination without a national travel promotion budget. With years of studies in hand measuring Brand USA's tremendous effectiveness, the program is presently jeopardized by the uncertainty over its future. Budgets need to be written and campaigns need to be planned, none of which can effectively be done unless Brand USA is reauthorized immediately.

Quite simply, this is a program that works: Brand USA keeps the United States competitive in the global race to attract visitors and prevents the decline in market share from being far worse. According to a return-on-investment study conducted by Oxford Economics, Brand USA's marketing efforts over the past six years have generated:

- 6.6 million incremental international visitors to the United States;
- \$21.8 billion in visitor spending;
- \$47.7 billion in total economic impact;
- Support for nearly 52,000 incremental jobs each year.⁴

Brand USA brings all those visitors to, through and beyond the U.S. gateway cities, ensuring all pockets of America reap the economic benefits of international inbound travel. Some of these

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https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_International-Inbound_Market-Share.pdf

³ https://www.ustravel.org/system/files/media root/document/Research Travel-Forecast Summary-Table.pdf

⁴ https://www.thebrandusa.com/research-analytics/roi-study

partnerships around the country include the Greater Newark Convention and Visitors Bureau in New Jersey, the Visit Spokane destination marketing organization in Washington, the Illinois Office of Tourism, the Bowling Green Area Convention and Visitors Bureau in Kentucky, and the Columbia River Gorge Visitors Association in Oregon.⁵

Brand USA is also essential to improving the U.S. trade balance. Travel is America's second-largest export: while the overall U.S. economy ran a trade deficit in 2018, U.S. travel exports generated a \$69 billion trade surplus. Without this surplus, the United States' overall trade deficit would have been 11% higher.⁶

While trade tensions persist and the value of the U.S. dollar remains historically high, it is crucial for the United States to continue promoting itself to visitors abroad. In addition to Congress reauthorizing Brand USA, the administration can help combat these hurdles by embracing both a visitation goal and a "welcome message" for international visitors.

It must be noted that Brand USA does not cost American taxpayers a dime. Other countries with whom we directly compete for tourism dollars have large, taxpayer-funded promotion budgets. Australia's \$120 million travel promotion budget and Japan's \$84 million budget are fully taxpayer funded; 80% of Spain's \$96 million budget is taxpayer funded. Brand USA is funded instead through a small fee charged to international visitors approved for travel here under the Visa Waiver Program, plus matching contributions from the American private sector.

⁵ https://www.thebrandusa.com/partners/state fact sheets

⁶ <u>https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_Travel_and_Trade.pdf</u>

⁷ https://www.ustravel.org/sites/default/files/media root/document/BrandUSA-Infographic 09.20.19.pdf

Earlier this year, more than 600 travel industry organizations representing all 50 states signed a letter in support of Brand USA to Speaker Pelosi and Leader McCarthy. And of course, Brand USA was reauthorized once before in 2014 with overwhelming bipartisan support.

The time is now. The future of the United States' ability to welcome and attract international visitors with one collective voice—and the health of the overall American economy—depend on it. I'd like to once again thank the committee for recognizing the critical need to reauthorize Brand USA as soon as possible. We look forward to working with you to secure the future of this valuable program.

⁸ https://www.ustravel.org/sites/default/files/media_root/document/BrandUSA_Letter2019.pdf