



UNITED STATES TRAVEL AND TOURISM ADVISORY BOARD

October 13, 2016

The Honorable Penny Pritzker
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

Dear Secretary Pritzker:

On behalf of the United States Travel and Tourism Advisory Board (TTAB), we respectfully submit recommendations from the TTAB Research subcommittee. Our subcommittee evaluated current research programs and formulated relevant, measurable and attainable goals to support the efforts of the U.S. Department of Commerce and advance President Obama's National Travel and Tourism Strategy. Research provided by the U.S. Department of Commerce is important to the private sector partners who use this information to guide their business strategies, identify growth opportunities, measure economic progress and analyze travel trends.

Over the past few months, the subcommittee examined various programmatic areas within the National Travel and Tourism Office (NTTO). While the subcommittee identified several potential opportunities for enhanced results, its focus has been on two key areas where progress can be made during the remaining tenure of the current Administration:

- Timeliness of I-94 Arrival Record reported results; and
- Quarterly estimates of travel spending and related data, supplied by the Bureau of Economic Analysis.

1. Resolve delays in I-94 Arrival Record data to ensure data is received no later than 45 days after month of travel.

Non-U.S. citizens must complete the I-94 form, which captures country of residency, arrival port, mode of transport, and other visitor-related information. The Department of Homeland Security (DHS) provides the NTTO with a monthly data file of non-immigrant overseas travelers to the United States based on the completed I-94 forms. The NTTO uses this information to produce monthly visitor counts, which are posted to its website. Non-governmental entities may also purchase related reports for research and analysis.

In recent years, DHS transitioned from paper forms to digital data collection, a change intended to improve the efficiency and outcome of the process. Unfortunately, there is a significant delay in results reported to the NTTO, due to the paper collection process still being utilized in Guam and the Northern Mariana Islands. Consequently, NTTO arrival reports are consistently 2 - 4 months behind. This delay undermines the usefulness of the I-94 arrival data and inhibits private

sector users from making timely decisions. Furthermore, it impedes the ability of stakeholders to measure progress and identify international travel trends.

The subcommittee is aware that you have raised concerns about this reporting delay through the Tourism Policy Council (TPC). The subcommittee acknowledges the many challenges faced by the Department of Homeland Security and, in particular, the Customs and Border Protection agency. Nevertheless, providing timely, accurate information is a key NTTO objective which directly supports President Obama's national goal of welcoming 100 million international visitors by 2021. These reporting delays are unacceptable and must be resolved.

The subcommittee recommends that you address this ongoing issue with the Department of Homeland Security, requesting they address these delays in reporting, with the goal of providing monthly arrival data no later than 45 days after the month of travel. It may also be appropriate to revisit this topic with the TPC at its October meeting.

While a permanent solution is necessary, a temporary remedy worth consideration is developing preliminary US national estimates of arrivals on a more timely basis and incorporate final territory data as it becomes available. This would require additional resources within NTTO, but the research subcommittee believes the benefits of timely reporting may outweigh the costs.

2. Transition from Bureau of Economic Analysis Travel and Tourism Satellite Account Quarterly Reports to an annual analysis.

Since the 1990's, the NTTO has published quarterly estimates of spending, a tourism price index and jobs estimates supported by domestic and international travel and tourism spending within the U.S., provided by the Bureau of Economic Analysis (BEA). The BEA is the only government source for travel and tourism total spending and jobs data.

The subcommittee reviewed the nature and purpose of these quarterly estimates and believes annual figures would sufficiently serve the industry. The private sector regularly develops its own quarterly travel estimates for specific industry sub-sectors without relying on BEA data. The subcommittee was also made aware that annual estimates of economic activity are produced for other industry sectors, including Arts and Cultural Production, Innovation Account, Health Care Satellite Account, and Transportation. Recognizing the need to manage the costs and benefits of all expenditures, the subcommittee believes the BEA quarterly estimates should be discontinued and replaced with one annual analysis. As a result, the NTTO can avoid the associated costs of quarterly updates, and perhaps avail additional funds for the Survey of International Air Travelers (SIAT) or other research programs.

Summary

The subcommittee recognizes the research and analysis provided by the NTTO is key to identifying and understanding trends in international travel to the U.S. The recommendations made by the Research subcommittee are designed to enhance the effectiveness of the agency's research programs. By removing the delay in I-94 Visitor Arrival data and transitioning to annual BEA travel & tourism satellite account economic analysis, the U.S. Department of Commerce will advance its efforts to facilitate growth in international travel to the U.S.

We would be remiss if we did not thank you for the excellent leadership you have provided during your tenure as Secretary of Commerce. In particular, your effort to request \$2 Million in additional funding for the SIAT is a bold move that could greatly enhance our understanding of international travel trends to the U.S. SIAT is vital to the investment and marketing decisions of companies and state/city tourism offices as it provides unique information on the characteristics of international travelers, where they visit, their preferences, and spending habits.

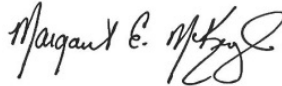
We believe the recommendations contained within this document are achievable in the remaining time of this Administration and would serve to enhance, promote and grow the travel and tourism industry in the United States. We will continue to study and highlight opportunities to improve the acquisition and reporting of research related to international travel and tourism beyond the short-term nature of these two recommendations.

We thank you for the opportunity to serve as members of the U.S. Travel and Tourism Advisory Board and wish to express our deepest gratitude for your leadership.

Respectfully Submitted,



John Sprouls
Chair



Margaret McKeough
Vice Chair



Greg Stubblefield
Vice Chair



Brad Dean
Chair, Research Subcommittee



Helane Becker
Co-Chair, Research Subcommittee