

UNITED STATES TRAVEL AND TOURISM ADVISORY BOARD

August 22, 2019

The Honorable Wilbur Ross
Secretary of Commerce
Washington, D.C. 20230

Dear Mr. Secretary:

The U.S. Travel and Tourism Advisory Board (TTAB) appreciates the opportunity to provide input as to whether and how re-joining the United Nations World Tourism Organization (UNWTO) may advance the interests of the U.S. travel and tourism industry.

The TTAB has examined the issue and concluded that it would be beneficial to re-join the organization subject to the clear conditions outlined below, with representation in organizational leadership positions being key. We evaluated concerns regarding re-entry and found there are compelling rationales that overcome them. We also recommend additional steps related to re-entry that could help fully maximize value to our industry.

In addition to the broad benefits that U.S. membership would bring to our industry, the UNWTO has four specific initiatives which also helped lead us to our conclusion: Global Policy Development, Investment and Development in Emerging Markets, Innovation, and Child Protection. These initiatives are explored below, including the specific benefits that engagement would provide to the U.S. travel and tourism industry.

Background

The U.S. was a founding member of the UNWTO in 1975, however the State Department's Bureau of International Organizations and Affairs withdrew from membership in 1996 due primarily to budget considerations. Over the course of the subsequent decade, as international travel and tourism enjoyed significant growth, other countries have directed the organization while the U.S. has lost economic and political opportunities. If the right parameters are put in place, the U.S. could benefit from re-engaging in the UNWTO through helping shape its policy and ensuring that the organization works on the needs and priorities of the U.S. government and private sector. While UNWTO membership is not required for U.S. companies and non-profits to participate in some UNWTO programs, and while the UNWTO has extended invitations to the U.S. government as a non-Member to participate in key forums and summits, U.S. participation and influence as a non-Member is constrained by UNWTO policy and protocol.

Membership Conditions

While there are clear and compelling reasons for the U.S. to rejoin the UNWTO, it is imperative that our participation is based on terms that advance U.S. interests and address the concerns

detailed below. On that basis, the TTAB recommends that the U.S. rejoin the UNWTO under the following conditions:

1. The General Assembly's concurrent approval of the United States' reinstatement as a Member of the UNWTO
2. The U.S. Government making every effort possible to ensure the successful election of the United States to the UNWTO Executive Council¹
3. The U.S. State Department successfully securing a minimum of three staff leadership positions in the organization, including that of Deputy Secretary General and one or more Executive Director positions
4. The General Assembly's formal approval at its September meeting of the reduction in the maximum dues share for Member States that exceed 20% of world GNP from 5% to 4%

Membership Recommendations

In addition to these conditions, we recommend that the U.S. government take additional steps in order to secure the maximum benefit from the organization. First, the State Department should work to appoint individuals with private sector experience in the travel and tourism industry; this would benefit the organization greatly given the unique and important perspective the private sector can bring to policy discussions. It would also help ensure that the U.S. is properly represented in the organization and can effectively lobby on behalf of our industry.

Second, we recommend the TTAB be officially designated to represent U.S. travel and tourism industry perspectives to UNWTO appointees on an ongoing basis. The TTAB brings together a range of industry perspectives to help inform policy. A regular consultation process with the TTAB will help to ensure UNWTO appointees have a well-rounded, well-informed understanding of industry priorities.

Third, we recommend that the U.S. receive immediate representation on the following influential UNWTO "Specialized Committees": Programme and Budget Committee, Committee on Tourism and Competitiveness, Committee on Tourism and Sustainability.

Lastly, we recommend that the UNWTO establish a formal relationship with the World Travel and Tourism Council (WTTC) that would include creating a single point of contact and working towards a jointly defined plan of action. This will allow the WTTC to advocate for the needs and priorities of its members, which include more than 70 global U.S. companies and over 130 global companies doing business and creating jobs in the U.S. It would give an even greater voice to our industry and help provide a stronger private sector presence in the organization.

Primary Concerns & Responses

As discussed here, there would be several benefits to the U.S. travel and tourism industry if the U.S. rejoins the UNWTO. However, there are also valid concerns regarding potential political

¹ The Executive Council consists of Full Members elected by the General Assembly, with one Council Member for every five Full Members. With a current roster of 158 Member States and the proposed election of the Republic of Palau in September, U.S. reinstatement as the 160th Member of the UNWTO would require the addition of one new Executive Council Member.

risks that need to be addressed before membership would be advisable. The two primary concerns are related to U.S. foreign policy and budget implications.

- *U.S. Foreign Policy* – Membership could erode the credibility of U.S. foreign policy given the prominent role that certain countries play on the UNWTO’s Executive Council. While recognizing the complicated nature of our nation’s relationships with these countries, the TTAB believes that this is actually a compelling reason why the U.S. should re-engage with the UNWTO.

These countries are able to control the agenda of the UNWTO and exclude the U.S. perspective. In particular, China has effectively leveraged the economic and social impact of tourism as a projection of soft power globally. The close alignment between the goals of the UNWTO and the primary Chinese tourism organizations,² coupled with the prominent role of three highly ranked Chinese officials at the executive level of UNWTO, has created a vacuum in which the U.S. currently lacks a voice. It is imperative that the U.S. has a comparable level of representation to properly serve American interests.

Absent an American presence on the Executive Council and in organizational leadership, there is no effective “counter-balance” representing U.S. interests as important policy decisions are being made with long-term, far-reaching implications. Also, given the active participation of U.S. travel and tourism organizations in the World Tourism Alliance and World Tourism Cities Federation, and USAID’s vital work in driving sustainable development, UNWTO membership is consistent with our foreign policy objectives as it relates to this sector.

- *Budget & Financial* – Since there is a financial investment associated with rejoining the UNWTO,³ there is a question of whether this level of spending is required since thirty U.S. based non-profits, companies and other organizations participate on a more limited basis as affiliate members without the U.S. government having to pay UNWTO dues. Budget concerns are always valid, but there are countervailing factors here.

First, the required dues payment is small relative to other foreign policy related budget items, particularly given the potential benefits. As of August 7, 2019, the UNWTO has issued a formal recommendation to be taken up by the General Assembly at its September meeting in Saint Petersburg that addresses the organization’s desire to secure the United States’ commitment to re-joining the organization. In addition, it specifically endorses adjusting the membership fee structure by reducing the maximum share for Member States that exceed 20% of world GNP from 5% to 4%. This change appears to be in response to U.S. concerns regarding the cost of full membership.

Second, without member status, the U.S. cannot substantively influence the policy agenda. U.S. membership will enable wider U.S. travel and tourism industry interests to be represented at UNWTO through government channels, as well as through individual company and organization participation in the UNWTO affiliate program.

² The World Tourism Alliance and the World Tourism Cities Federation.

³ \$500,000 for past dues and approximately \$500,000 annually thereafter.

UNWTO Membership Benefits

The ability for the U.S. to access policy and provide direction for the following UNWTO initiatives could provide important opportunities for the U.S. travel and tourism industry.

Global Policy Development

The UNWTO has an extensive portfolio of global policy offerings that could bring benefits to the U.S. travel and tourism industry with full membership. Full members have access to many valuable programs, initiatives, and resources, including:

- *Visa Facilitation: Biometric Development* – The UNWTO advances visa facilitation through programs and studies that encourage coordination and sharing best practices. While “visa openness” is a primary metric used by UNWTO in measuring progress, the agency also notes the need for safe, secure travel and the key role of technology and data-sharing in enabling it.

As the TTAB has previously noted, biometric technology is a key element of efficient and seamless travel, however, there needs to be more alignment among governments and agencies on biometric parameters. The UNWTO could provide a useful venue for advancing common parameters, and ideally, coordination and cost-sharing around biometric technology solutions. We recommend that the U.S. take the opportunity to engage on this subject in order to promote enhanced security measures where applicable.

- *Destination Management* – The UNWTO offers extensive resources designed to advance the coordinated management of destinations’ attractions, amenities, marketing, pricing and access. Its UNWTO.QUEST certification program offered through the UNWTO Academy gives participating destination marketing organizations (DMOs) the tools to improve their planning, managing and governance.

Given the globalization of travel and the massive change in how travelers, travel influencers and meeting planners reach, choose, and experience destinations, the U.S. destination management industry is innovating new strategies and prototypes. Collaboration with UNWTO could be a mutually beneficial way for more effective outreach, sharing best practices, and dialoguing on destination-related travel and tourism issues.

- *Workforce Development* – A well-trained workforce is a shared need of the worldwide travel and tourism industry. The UNWTO Academy sponsors trainings and certifications for audiences that span from entry level to executive. UNWTO’s TedQual certification sets minimum standards for tourism education and provides access to research and development resources for U.S. tourism education programs.

As the TTAB has previously noted, workforce development efforts within the U.S. could be enhanced with the development of common evaluation metrics that would enable companies to compare effectiveness across programs. Re-joining the UNWTO would give U.S. companies wider access to UNWTO Academy programs and services and serve

more effectively as a global platform for advancing common evaluation models and sharing best practices.

- *Sustainable Tourism: Resource Efficiency and Waste Reduction* – The UNWTO’s sustainable tourism efforts are focused on advancing resource efficiency and responsible consumption and production in tourism. The Sustainable Tourism Program promotes networking and information-sharing through conferences, reports and trainings for companies and non-profits. The U.N. International Year of Sustainable Development Through Tourism in 2017 spurred 1800 activities in 170 countries, including the United States. Wider access to UNWTO networks and information by U.S. businesses and non-profits could help elevate our performance in the rapidly growing sustainable tourism sector.
- *Global Statistics and Macro Economic Analysis* – The UNWTO led the global development of standardized and comparable Travel and Tourism Satellite Accounts (TTSA), which has resulted in more reliable statistics used in GDP measurement, work force development and economic impact analysis by countries worldwide.

The U.S. currently employs UNWTO’s satellite accounts methodology to measure the contribution of travel and tourism to our national economy. It uses tourism data from other countries collected within the TTSA framework to measure arrivals, receipts, overnight stays, mode of transport, length of stay, tourist spending and visitor origin. As methodologies and technologies for collection and analysis evolve, the U.S. could benefit from the opportunity for more direct collaboration in the development process.

Rejoining the UNWTO as a full member would allow U.S. companies and non-profits to gain full access to these valuable policymaking resources and programs.

Investment and Development in Emerging Markets

The U.S. can also leverage potential membership in the UNWTO to advance U.S. travel and tourism interests related to investment and development in emerging markets. This is of particular importance given that travel and tourism is frequently the first point of entry in cultivating business relationships in these markets. This represents a tremendous opportunity – both in cultivating new demand for travel to the U.S. – and in creating new markets for a host of U.S. exports of goods and services. Other countries, such as China, have recognized the benefits that the UNWTO can provide to these developing economies.

The UNWTO supports the efforts of its members in their efforts to develop and promote the tourism industry as an engine for socio-economic growth and poverty alleviation. In addition to providing access to the resources discussed above, the organization is actively engaged with several emerging market focused initiatives, including:

- *The UNWTO Sustainable Tourism - Eliminating Poverty Initiative (ST-EP)* – this initiative provides assistance to tourism-related development projects with an emphasis on social, economic and ecological challenges. As part of the United Nations’ Sustainable Development Goals (SDGs) that were established in 2015, tourism was specifically

referenced as a direct contributor to: (a) inclusive and sustainable economic growth, (b) sustainable consumption and production, and (c) the sustainable use of oceans and marine resources. These projects have contributed to job growth, and there are now over 100 in 34 countries throughout the world. It is expected this success will continue, creating new opportunities for U.S. business interests on a variety of fronts.

- *The Silk Belt and Road Initiative*— China has committed \$900 billion to this initiative which has the objective of improving trade relationships through infrastructure investments in key geographic regions. By developing trade channels with both established and emerging economies in Central Asia and the Middle East, as well as lucrative European markets, China is poised to gain “first mover” advantage in utilizing these relationships for its manufacturing, transportation and telecommunications sectors. Travel and tourism is a foundational element of this strategy, and the UNWTO has been strongly supportive of this initiative given China’s strong presence in the organization. China is successfully leveraging the organization’s resources to help strengthen its geopolitical position in its priority markets, including Egypt, India, Indonesia, Pakistan, the Philippines, and Russia.

Although there are multiple other diplomatic channels available to the U.S., actively leveraging the travel industry in service of the United Nations’ SDGs helps to win the “hearts and minds” of underserved communities in developing countries. It also affords UNWTO members the opportunity to help shape important policy decisions regarding a host of issues – economically, socially and geopolitically. In addition to the clear benefits the U.S. tourism industry would receive from engaging more substantively with emerging markets through the UNWTO, our formal engagement would also help counterbalance China’s unchallenged influence in the organization.

Innovation

The UNWTO recently developed strategy focused on tourism Innovation and Digital Transformation. In doing so, the organization seeks to “drive the digitalization of tourism and to create an Innovation and Entrepreneurship Ecosystem that will maximize the potential of the sector in terms of economic growth, job creation and sustainable development.”

To achieve such objectives, the UNWTO has established six strategic projects including the Innovation Hubs Network, Tourism Tech Adventures, Digital Network Platform, Tourism Innovation Leaders Programme, Innovation Trends and Guidelines, and Smart Destinations and Capacity Building. These projects encourage transparency and cooperation among the various actors in the innovation tourism ecosystem through activities such as start-up competitions, forums, and mentorship opportunities. Examples of current UNWTO work include: (a) Wakalua, the first global tourism innovation hub, which organized the first UNWTO Tourism Startup Competition with more than 3,000 projects from 132 countries being presented, (b) the Gastronomy Tourism Start-Up Competition in Spain, (c) the 1st UNWTO Sports Tourism Start-up Competition in collaboration with Barça Innovation Hub, and (d) the Tourism Tech Adventure for the Americas in Buenos Aires.

If the U.S. was to rejoin the UNWTO, there are several innovation-related benefits that could result from such membership. First, the UNWTO and its member countries could serve as an

information platform for issues such as sustainable tourism, over-tourism, and other best practices for matters including airport infrastructure and modernization. Second, membership could accelerate the United States' initiative on workforce development as it pertains to the travel and tourism industry and could significantly improve the United States' biometric work due to the UNWTO's Smart Destination project. Membership may also encourage additional development and investment in tourism opportunities by the United States backed by venture capitalists. Lastly, although some large travel and technology companies are already engaged in these initiatives via their affiliate member status, full engagement in the UNWTO could provide expanded access to these innovation initiatives for small and medium enterprises.

Anti-Sex Trafficking

The UNWTO has developed a platform, the World Tourism Network on Child Protection (WTNCP), for dialogue and sharing best practices to help reduce child sexual exploitation and trafficking in the tourism sector. Given the U.S. travel and tourism sector's leadership on anti-sex trafficking efforts, the TTAB believes that the U.S. could have a powerful impact on the UNWTO on this issue and drive forward additional progress in other member countries.

U.S. airlines, hotels, online travel agencies, short-term rental companies, travel management companies, and others are strongly committed to this issue. In addition to the impressive individual company and trade association efforts, many U.S. companies (including the TTAB members) are helping lead the recently launched WTTC Anti-Trafficking Task Force. Our travel and tourism sector can inspire action and provide additional expertise to member countries interested in combatting sex-trafficking in their local travel markets. Also, full access to WTNCP could allow U.S. businesses, non-profits, media, and government to even more effectively leverage their efforts in addressing this humanitarian challenge.

Conclusion

In conclusion, given these potential benefits, the board recommends re-joining the UNWTO contingent upon the conditions outlined above which help overcome the primary objections to membership. The board believes that through active re-engagement with the UNWTO the U.S. will be well-positioned to leverage the economic, social and diplomatic power of travel and tourism as a key driver in emerging markets, as well as in developed economies, for years to come. Thank you for the opportunity to provide input into this important decision-making process and please let us know if the board can be of further assistance.

Respectfully submitted,



John Sprouls
Chair



Kurt Ekert
Vice Chair