



UNITED STATES TRAVEL AND TOURISM ADVISORY BOARD

December 12, 2013

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

Dear Secretary Pritzker:

It has been our pleasure to lead the United States Travel and Tourism Advisory Board (TTAB) for the last two years. The TTAB has been extraordinarily productive during its term, which is reflected in the several recommendation letters that have been sent to you and your predecessors. On behalf of the TTAB, we are writing this letter to offer our top priority recommendations to enhance travel and tourism to and within the United States and our thoughts on how the TTAB could support Brand USA with specific actions to increase its effectiveness and transparency in its work and partnership with the Department of Commerce. Finally, we would like to offer our thoughts on how to make the next TTAB even more successful and useful to the government and industry.

There are many areas where the Obama Administration, and specifically the Department of Commerce under your leadership, can be influential and drive change. The TTAB has offered many specific recommendations for your consideration and we are hopeful you will act on as many of them as time and resources allow. The recommendations cited below are those which we believe merit the highest priority over the next three years. These recommendations, once acted upon, will best position the United States to facilitate and enhance traveler mobility and minimize or remove barriers to travel.

The President's National Travel and Tourism Strategy (Strategy) last year identified the overarching goal of welcoming 100 million international visitors by the end of 2021. With that in mind, we have identified below four main policy priorities aimed at achieving this goal.

1. Visa and Entry Process

As cited in the Strategy, Federal agencies were tasked with taking specific actions with the aim of: (1) reducing institutional barriers to the free flow of trade in travel services; (2) expanding the Visa Waiver Program (VWP); (3) enhancing U.S. visa processing capabilities to meet the expected growth in demand; (4) expanding trusted traveler programs and expedited screening initiatives; and (5) improving the processes for arrival and aviation security screening, while ensuring the security of our borders and the safety of the traveling public¹.

Tremendous strides have been made on visa processing and creating a welcoming environment at our ports of entry to encourage visitation to the United States. Visa processing times in some countries have been cut from hours to minutes, which is a direct result of streamlined process changes and staffing increases. However, once visitors arrive in the United States, the entry process has increasingly become a choke point in the travel process. Up to 40 percent of travelers from some international markets state that they would not return to the United States because of the entry process. The Department of Homeland Security (DHS) has long stated it needs more Customs and Border Patrol officers to accommodate increased visitor volumes; however, given federal budget constraints over the past several years, those resources have not been allocated. We urge you to advocate for them, but additional resources cannot be the only solution on the table. We recommend that you seize the opportunity to work with high level officials within DHS and through the Tourism Policy Council to develop goals and initiatives to further streamline the entry process utilizing technology and business process re-engineering. Our country will not get a second chance to make a positive first impression on travelers, and long entry wait times are seriously undermining our ability to make that positive impression with far too many of our international visitors. We should set a national priority to process all visitors to our country within 30 minutes of their arrival.

The U.S. Consular Affairs Office and our U.S. Embassies should be commended for their significant progress in reducing wait times for visas and boosting their capacity to handle the growing number of travelers who want to come to the United States. We see an opportunity for further efficiencies, similar to those achieved in China, where the number of windows and consular officers has enabled the processing of 1.5 million Chinese visitors with wait times under one week. Moving the process toward online electronic visas will further shorten wait times. Securing visa waiver agreements will go a long way toward facilitating travel along with other solutions such as extending visa durations from one to five years and expanding interview waiver categories. However, with the number of global travelers expected to rise to 1.8 billion by 2030 (UNWTO) there will surely be a need for more U.S. consulates. The United States currently lags behind many other nations in establishing new consulates in emerging and growing international marketplaces. We recommend that future consulate locations be vetted and chosen using weighted economic indicators; TTAB can advise the State Department on developing a matrix that will aid in the analysis of greatest needs and ultimate decision-making. Since it takes a number of years to vet, approve and build a new consulate office, it is urgent to start the process now.

¹ U.S. Travel and Tourism Strategy, pg. 4

In addition, we would call on you to urge Congress to pass the Jobs Originated through Launching Travel (JOLT) Act. This is the top current legislative priority of the travel and tourism industry and deserves your full and energetic support. Once passed, the JOLT Act would modernize and expand the Visa Waiver Program, facilitate the use of secure videoconferencing for visas, reduce visa wait times, and expand the highly successful Global Entry program. There is momentum and bipartisan support in Congress around this measure, which was included in the Senate-passed immigration bill. It can be enacted in the near term with the weight of the Administration behind it.

2. Infrastructure investment

As we consider how increasing numbers of international and domestic travelers will be transported throughout our great country, we must consider improving America's transportation infrastructure, including our air traffic control system, crowded international airport terminals and runways, overtaxed rail system coupled with the need to sustain and maintain our interstate highways. Substantial investment is needed and new requirements for sustainable practices are necessary to enhance our nation's infrastructure.

Infrastructure investment is a tremendously large and complex issue that covers a vast array of challenges contributing to situations that would detract from a traveler's positive experience when visiting the United States. In the Strategy, federal agencies have been tasked to: continue to innovate and make improvements in processes, technologies, staffing and infrastructure to streamline the visa application process and entry into the country through border crossings and ports of entry, for legitimate travelers. Wider development of and investments in aviation infrastructure will further improve the passenger screening and overall travel experience for domestic and international air travelers².

As the United States strives to maintain and enhance the competitiveness of its exports, technology and tourism, transportation infrastructure impediments, especially at airports and ports of entry, are hindering our progress. The Department of Commerce can demonstrate leadership here. Highlighting the global trade problems caused by poor transportation infrastructure and quantifying the negative results on our nation's economy will hasten reform. Commerce should develop the policy agenda to identify and address the nexus between inadequate transportation infrastructure and hindered economic growth. A forum for public and private entities, including the financial community, to discuss these issues and formulate solutions would produce the framework for such a policy agenda. Under Commerce's leadership, the forum would be designed to foster new ideas from experts inside and outside the travel community, complementing the work of the President's Export Council (PEC). Within this forum, partnerships could be explored and investment/funding options and technology solutions examined that could lead to an improved port of entry (specifically airport) infrastructure that will ensure our competitiveness, while enhancing the traveler's experience.

We recommend that you prioritize the speedy investment and implementation of the Next Generation Air Traffic Control System (NextGen) and lead a campaign with private sector partners to foster a greater public awareness of the value NextGen will bring to the travel

² U.S. Travel and Tourism Strategy, pg. 4

experience. NextGen, when systematically deployed, will enhance safety, reduce delays, save fuel and reduce aircraft exhaust emissions. Aviation is indispensable to the Strategy goal of attracting 100 million international visitors by 2021. Investment in gates, runways, and airport access projects will also be necessary to meet the current and future demand of those traveling to the United States by air. Further, the travel and tourism industry intensely depends upon the well-being of our nation's interstate highways, bridges and access roads leading to public lands. Both our aviation and surface transportation networks must be improved in order to become structurally and technologically ready to compete successfully in the global tourism market. These reforms will require Congressional action and Administration priority-setting as well as outreach to the private sector.

3. Brand USA

Now entering its third year of operation, Brand USA has achieved a high level of success. During its first year, while required to raise at least \$50 million to support its efforts, Brand USA raised nearly \$60 million. And in year two, it more than doubled the amount raised, producing \$130 million of in-kind and cash partnerships. This achievement allowed Brand USA to grow its presence internationally from three to 11 markets. Just as impressive, its marketing campaigns have, in one year, raised intent to travel to the United States by over 10 percent in every market reached. We are obviously on the right track and have unleashed a tremendous opportunity for growing American exports and creating American jobs through a vibrant and thriving travel and tourism Industry.

The bottom line is that over the last two years and with the steadfast work of the Tourism Policy Council, the TTAB, US Travel Association, Brand USA and other key industry partners, more has been done to advance the United States as a tourism destination than in almost two decades, and never with such work coordinated through public-private partnerships. We support the reauthorization of Brand USA and associated legislation that ensures the fees collected under the Electronic System for Travel Authorization (ESTA) be appropriated only for their intended purpose under the Travel Promotion Act.

We believe that having Brand USA expand and enhance its activities, with the continued support of public and private sector partners, is critical to maintaining this momentum. To facilitate this effort we recommend that you instruct the TTAB to establish a subcommittee to work with Brand USA and the Tourism Policy Council to enable greater data sharing and collaboration. Further, you should direct the TTAB, possibly using this newly established subcommittee, to propose a new vetting process for ESTA matching fund requests submitted by Brand USA. An opportunity exists for a streamlined process in which Brand USA would engage a third party to vet all funding proposals. This would allow Commerce to shift into an auditing role, thus saving Federal staffing time and resources.

In addition, you should request a regular status report on the metrics requests from the GAO report on BrandUSA. To that end, the Survey of International Air Travelers (SIAT) should be continued, given a dedicated line item in the federal budget, and the sample size expanded to accurately measure the growth of international visitation to more states and destinations. The SIAT is an indispensable tool for capturing metrics on the health of the US travel and tourism

industry and market intelligence for Brand USA. The Bureau of Economic Analysis has indicated its intent to resume its use of the SIAT in determining the balance of trade calculations for quantifying travel imports and exports to and from the U.S., which are critical measures related to the health of the U.S. economy. One issue that needs urgent attention is the full annual funding for SIAT for 2014. By securing annual funding by April 2014, the Department of Commerce could save over \$342,000 on the survey program.

4. Public / Private Partnerships

Madam Secretary, the TTAB has evolved into something truly special. This board's work is characterized by thoughtful, honest discussions where both public and private sector participants speak freely and think creatively together. Our board is productive, evidenced by the numerous recommendations made on a variety of critical policy issues. TTAB members desire to work together to advance the cause of travel and tourism through sensible policy choices. Much is said in Washington about the desirability of "public/private partnerships," but this board embodies much of the best of what they can be. And yet, it's clear that there's more we can do to build on our success.

Getting to those higher levels of success requires kicking our public/private partnership into an even higher gear. It's not just about writing recommendation letters, as important as they are. It should also be about rolling up our sleeves with you to help get our priority government initiatives better understood and adopted. We can help you expand the reach of your bully pulpit. You have an extraordinary board whose organizations reach tens of millions of travelers and industry participants every day. That's an enormous resource.

Thus, we recommend you ask the member agencies of the Tourism Policy Council to review the practices and policies by and through which they work and partner with the private sector. The communicative and transparent relationship of the TTAB and Commerce is a model of public private collaboration and illustrates an optimal way in which the travel and tourism industry coordinates with the various federal government agencies. We seek to have this model embraced by all TPC member agencies so as to provide clear guidelines for the private sector as they seek to support government, create strategic partnerships, effectively address barriers and harmonize work efforts. Such an enhanced model would encourage the discussion of logical, effective, efficient and inspired solutions to the challenges government faces in setting travel industry related policy. Expansion of the Model Port program and addressing education and training programs for the growing travel industry workforce are excellent examples of initiatives that will benefit from this kind of enhanced collaboration.

You have emphasized the need for prioritization of our recommendations, and this final letter is offered in that spirit. As you look ahead to the next board, we respectfully suggest you consider striking a balance between giving the board latitude to set its recommendation agenda and asking the board to provide specific recommendations on policy matters that are of greatest interest to you and the Administration. We know you will welcome new ideas, while ensuring we advise you on the actionable matters you care about most. In appointing the next TTAB, we hope you will look as always for breadth of experience across the industry, but also take care to select some members who have subject matter expertise on the issues you have ultimately decided to prioritize. In addition this public-private partnership won't reach full potential without a fully

functional and staffed National Travel and Tourism Office (NTTO). In our view, that will put the TTAB's productiveness and usefulness into overdrive.

Much has been accomplished over the last two years and the public and private sector participants alike should be proud of our coordinated effort to welcome visitors to the United States and to prepare to welcome many more. We appreciate the time you have spent engaging with us personally on these important issues and believe that all the recommendations cited above are crucial and attainable in the near term to keep America "Open for Business."

Going forward, you can play a critical role in connecting the next TTAB with your new cabinet counterparts at the Departments of State, Homeland Security, Transportation, and Interior. The collective cabinet leadership can together be a powerful voice and advocate for the value of travel and tourism.

We look forward to working with you on accomplishing the goals of the Strategy. However we can be of service to help you achieve these goals, you can count on the TTAB to be fully engaged and ready to assist.

Sincerely,

A handwritten signature in black ink that reads "TODD DAVIDSON" in all capital letters. The letters are bold and slightly slanted to the right.

Todd Davidson
Chair

A handwritten signature in black ink that reads "Sam Gilliland" in a cursive, flowing script.

Sam Gilliland
Vice Chair