April 23, 2021

The Honorable Gina Raimondo
Secretary of Commerce
Washington, D.C. 20230

Dear Madam Secretary:

Thank you for the opportunity to present recommendations for the Economic Development Administration (EDA) Economic Adjustment Assistance (EAA) funds to sustain, stabilize, and enhance resilience to one of the hardest hit industries during the pandemic: travel and tourism. The quickest way to bring a pre-COVID-19 economy for our rural, urban, and suburban communities across the country is to build back this industry and these funds are instrumental in doing so.

These recommendations were developed in response to your request to identify leisure and business projects that would be most impactful in assisting states and communities that have suffered economic injury related to the travel, tourism, and outdoor recreation industries. These projects can be awarded as part of the $3 billion American Rescue Plan funding available through EDA. They were designed to advance local COVID-19 recovery efforts and support EDA’s efforts to create jobs, promote innovation, kick-start short-term recovery, and accelerate sustainable long-term economic growth through travel and tourism.

Travel and tourism was the first industry to be critically impacted by COVID-19. The ensuing public policies implemented to combat this crisis, such as shutdown of international travel, stay-at-home orders and capacity reductions, constitute a ‘market failure’ that devastated the travel and tourism industry, significantly inhibiting both leisure and business travel. Specifically, in 2020:

- Total travel economic output declined by $1.1 trillion, a 42% reduction. ¹
- The face of tourism, its employees, accounted for a loss of 3 million jobs, a 34% reduction.
- Federal, state and local tax revenue related to travel and tourism decreased by 34 percent. ²

Research confirms that business travel has declined by 70% and a recent survey reveals only 25% of businesses are planning to resume domestic business travel in the next three months, demonstrating that business travel will require a longer recovery period than leisure travel.³

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¹ U.S. Travel Association and Oxford Economics – includes direct, indirect and induced impacts.
³ Global Business Travel Association.
Our recommendations prioritize tourism marketing, sales, and promotional activities to stimulate demand and drive economic recovery. These activities, which are typically funded through revenues generated by overnight transient stays, declined substantially in 2020. The recommendations also extend the definition of infrastructure to include human capacity as well as other traditional uses of EDA funding.

**Recommendation #1: EDA should prioritize efforts to drive demand through business and leisure travel marketing, sales, and promotional activities.**

The only way for the industry to fully recover is to restore consumer confidence and spur demand through marketing, sales, and promotional tactics designed to generate economic vitality through business and leisure travel. Tourism promoters at the local, regional, state, territory, and tribal levels use an array of proven methods with verifiable outcomes, including:

- Purchase of media targeting leisure or business travelers, including but not limited to television (broadcast, streaming, cable), social, radio, digital, out-of-home and print advertising;
- Media campaign development including production of digital, print, collateral, and video assets;
- Lead generation services to identify leisure or business travel targets;
- Promotional events, sponsorships, and sales activations to encourage specific leisure and business travel outcomes (these will not include expenditures typically excluded from federal grants, such as alcoholic beverages);
- Cooperative marketing campaigns designed to positively impact groups of businesses or industry segments;
- Public relations efforts designed to generate earned media and social media outreach;
- Targeted sales missions reaching domestic and/or international audiences; and
- Research related to sales, marketing or promotion of leisure and/or business travel.

**Recommendation #2: EDA should implement an extended definition of infrastructure to include human capacity and new product development to support recreation, leisure, and business travel.**

In addition to traditionally defined physical infrastructure, allowable uses should include:

- Outdoor recreational improvements and accessibility;
- Capacity-building programs to provide training and resources for small, women-owned and/or minority-owned businesses, such as product development, resiliency planning and marketing assets;
- Wi-fi/broadband accessibility, which is often lacking in rural areas and underserved communities;
- Accessibility measures to enhance travel for those who travel differently, such as sensory and braille trails for those on the spectrum or sight-challenged;
- Investments in health, hygiene, and sanitation equipment and related protocols;
- Accreditation or certifications to ensure visitor comfort and safety, such Global Biorisk Advisory Council (GBAC) Star Facility designation; and
• Workforce development programs to sustain recovery efforts and ensure resiliency.

Recommendation #3: The EDA should structure the guidelines for granting distribution and measurement of outcomes to maximize efficiency and consistency.

We recognize the EAA funds provided for travel, tourism and outdoor recreation projects present an unprecedented opportunity that may require EDA to adapt its traditional processes and guidelines. EDA should ensure that these funds are used specifically for the purposes of travel and tourism, and an efficient granting process to ensure optimal outcomes should encompass the following:

• Recognizing most Community Economic Development Strategy (CEDS) plans were developed before the COVID-19 pandemic, most CEDS will not adequately reflect the nature, scope or scale of challenges faced by the travel and tourism industry. As such, EDA should identify alternative means of validating the proposed plans in light of current economic needs and opportunities in impacted communities.
• EDA should develop and implement guidelines in such a way as to ensure a high degree of consistency amongst all regions, including the reviewing of applications, eligibility requirements, approval of projects and awarding of funds.
• EDA should consider a combination of block grants and competitive grants. Although there is great value in the competitive grant process, block grants can provide relief more quickly. A collaborative network of state, regional, territory, tribal and community promoters is currently in place throughout the United States to ensure optimal results. Priority should be given to proposals that benefit underserved communities.

The implementation of these recommendations will help stabilize and sustain the industry by limiting long-lasting negative impacts of COVID-19 on our communities across the United States and its territories. Thank you for this opportunity to share our recommendations for the tourism industry’s great American comeback story.

Respectfully submitted,

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Kurt Ekert  Brad Dean
Chair      Vice Chair