

## UNITED STATES TRAVEL AND TOURISM ADVISORY BOARD

September 7, 2022

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

Dear Secretary Raimondo:

Thank you for your attention to matters of great importance to the United States travel and tourism industry and for being a champion of our industry within the Administration. The Travel and Tourism Advisory Board (TTAB) recognizes the industry's impact on climate change is a major issue which must be addressed. This topic is broad, deep and far-reaching, requiring sound, long-term decision-making and decisive action by both the federal government and private sector.

We considered relevant research and analysis addressing sustainable travel practices and related consumer sentiments. We also engaged the Economic Development Administration (EDA), the Environmental Protection Agency and the U.S. Travel Association to inform our analysis. The TTAB identifies several factors that directly affect individual business' ability and willingness to positively affect climate change. These include both internal and external drivers:

### Internal Drivers

1. Whereas larger businesses and corporate brands have access to sustainability experts and often employ professionals capable of leading complex sustainability programs, smaller businesses face a knowledge gap with limited resources. Specifically, many small businesses throughout the travel and tourism industry are unclear as to how to begin efforts to affect climate change at the business level. *USA Today* recently reported that 63% of small and medium-sized businesses lack the skills and knowledge to develop a long-term emissions reduction plan.<sup>1</sup>
2. Most businesses acknowledge the importance of addressing climate change and, specifically, reducing or limiting carbon emissions. However, the industry faces the daunting task of recovering from the worst crisis in its history coupled with a weakened economy. This balancing act between short-term and long-term objectives is not new to travel and tourism businesses, but the current economic environment makes this a very formidable challenge. This is applicable to businesses of all sizes throughout the industry and is particularly challenging for businesses weighing capital investments with a relatively short timeframe for return-on-investment.
3. Making sensible investments in sustainable practices ultimately enhances a business's reputation and appeal with customers, investors and employees. Likewise, sustainability

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<sup>1</sup> "Changing the face of business, for sustainability's sake", *USA Today* (published with Siemens), June 13, 2022.

may align with the values and brand identity of individual organizations. HLB Global Advisory Network observes that 91% of leaders believe how they respond to events that impact society reflects on their brand and overall perception of their business.<sup>2</sup>

### External Drivers

4. Consumers are increasingly aware of the importance of sustainability in travel and tourism, and there is evidence this is affecting purchasing decisions. For example, in its *2022 Sustainable Travel Study*, Expedia reports that 90% of consumers look for sustainable options when traveling. Yet only 34% of those surveyed had chosen providers based upon commitment to sustainable practices in the past two years, and 37% had paid more for sustainable options.<sup>3</sup> This apparent disparity between consumers' stated preference and spending places added pressure on businesses to provide low-cost or no-cost solutions to sustainability.
5. Industry professionals seeking to measure and monitor a specific destination's (status) and progress in terms of carbon emissions and sustainable travel and tourism practices must assess numerous industry segments in addition to a wide spectrum of businesses and facilities. Destinations currently lack a reliable benchmarking tool to accomplish this objective.
6. The transportation sector of travel and tourism accounts for much of the travel and tourism industry's carbon emissions. Most trips are conducted by automobile, and electric vehicles (EV) could significantly reduce the carbon footprint of drive-to travel. Likewise, Sustainable Aviation Fuel (SAF), a low-carbon alternative to conventional jet fuel, is viewed as the best current tactic to reduce the carbon footprint of airlines. However, the cost of EV charging stations and SAF limit the industry's ability to expand usage on a broader scale.

### **Recommendations**

Recognizing this is a broad topic that will require ongoing attention and significant collaboration between the public and private sectors, we recommend you take the following actions:

1. **Develop a DOC web portal that gives travel and tourism companies easy access to key up-to-date sustainability resources.** There is no lack of information on sustainability measures, including the body of research and informative guidelines developed by trade associations such as the American Hotel and Lodging Association. This portal could become a "go to" resource for travel and tourism companies motivated to act on sustainability, emphasize the National Travel and Tourism Office's (NTTO) sustainability commitment, avoid "reinventing the wheel" (by referencing existing resources), and allow NTTO to identify sector needs based on actual interest.

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<sup>2</sup> "HLB Survey of Business Leaders 2021: Achieving the post-pandemic vision: leaner, greener and keener", HLB International, 2021.

<sup>3</sup> "Sustainable Travel Study", published by Expedia Group Media Solutions, April 2022.

2. **Mobilize government resources (grants, loans, tax credits, etc.) for travel and tourism sustainability projects.** The Inflation Reduction Act of 2022 provides a timely opportunity to evaluate provisions within this bill, including EDA grants, to help mitigate the challenge businesses face with limited resources and competing priorities. Building upon the historic success of the Travel, Tourism and Outdoor grants provided within the American Rescue Plan, the EDA should consider a similarly focused grant program to aid travel and tourism businesses with investments to advance sustainability (e.g., investing in EV charging stations) in meaningful ways.
3. **Identify adequate benchmarking tools that can be used for evaluating sustainability status and progress at the destination level.** The Tourism Policy Council should work with the private sector to consider identifying one or more benchmarking tools that can be used by destinations to monitor status and progress related to carbon emissions and sustainability measures. Through its *Sustainable DC* initiative, the District of Columbia has engaged a broad level of collaboration between local government, the federal government and the private sector to advance sustainability measures. This type of approach may be a model worth considering for broad application.
4. **Pursue expanded access and improved cost efficiencies related to Sustainable Aviation Fuel (SAF).** The Administration should work with the Congress, the airline industry and producers to identify and implement efficient means of reducing the net cost of SAF, thereby enhancing usage by airlines.
5. **Review government policies related to sustainable travel expenditures.** The Administration should consider its travel-related policies and whether these encourage sustainable travel purchases. This could begin with a review by the U.S. General Services Administration.

The TTAB appreciates your interest in positively affecting climate change and shares your commitment to this important topic. We readily acknowledge the recommendations summarized herein do not encompass the full scope of measures necessary to reach net-zero carbon emissions for the travel and tourism industry, but we believe these represent current priorities that can deliver significant progress. Recognizing the importance and magnitude of this topic, we encourage you to maintain this topic as a priority for the next TTAB.

Respectfully submitted,



Bill Hornbuckle  
Chair

Brad Dean  
Vice Chair