The Travel Promotion Act of 2007
H.R. 3232

<u>Overview</u>

- **The United States is experiencing a crisis in declining overseas travel.**

- **Overseas travel to the U.S. adds *billions* of dollars to the economy, *billions* of dollars in tax receipts, *millions* of jobs and enhances America's image abroad.**

- **International travel to the U.S. currently creates a $7.5 billion positive trade balance. ($26 billion positive trade balance in 1996)**

- **The global international travel market has increased by nearly 20 percent since 2000.**

- **During the same period, overseas travel to the United States has *declined by 17 percent.* The decline has cost our country:**

    - 194,000 Jobs
    - $94 BILLION in Visitor Spending
    - $16 BILLION in Tax Receipts

- **The *Travel Promotion Act of 2007* addresses America's overseas travel crisis**

    - <u>No American taxpayer dollars will be spent.</u> The promotion program is funded by private industry and user fees on overseas visitors.

    - The bill establishes a communications and promotion campaign on par with America's global competitors.

        - The $100M contributed in public dollars is similar to countries with whom the U.S. competes for travel business.
        - Compare: Australia ($133M); Canada ($59M); China ($60M); Greece ($151M); Mexico ($149M); U.K. ($89M).

    - The return on investment is estimated to be 35:1 in visitor spending and 6:1 in tax revenues. (Oxford Economics)

    - The bill combines private sector execution with public sector accountability by creating a non-profit corporation subject to Congressional and Administration oversight.

    - The Corporation for Travel Promotion will overcome the leading obstacles to visiting the U.S. by:

        - clearly explaining U.S. security policies;
        - reversing negative perceptions toward the experience of traveling to the United States by countering misinformation;
        - maximizing economic and diplomatic benefits of overseas travel to all 50 States and the District of Columbia; and
        - promoting the United States as a premier travel destination.

    - The Senate has introduced companion legislation (S. 1661) sponsored by Senators Dorgan, Stevens and Inouye and co-sponsored by Senators Ensign, Feinstein, Kerry, Lautenberg, Martinez, Pryor and Smith.

Bill Summary

- Section 3: Establishes the Corporation for Travel Promotion – An independent, non-profit corporation governed by a 14-member board of directors appointed by the Secretary of Commerce in consultation with the Secretaries Homeland Security, State and Education. Board members required to have professional expertise in international travel promotion/marketing and to broadly represent all regions of the U.S. The Corporation must develop/execute a plan to: (1) provide information to travelers to the U.S. (entry requirements, fees, documents, processes, etc.); (2) counter misperceptions regarding U.S. travel policy; and (3) promote the U.S. to world travelers. An independent accounting firm must conduct an annual audit of the its operations, and the Comptroller General must have full and complete access to the books and records of the Corporation.

- Section 4: Accountability Measures – The Corporation's Board must establish annual objectives for the Corporation subject to approval by the Secretary of Commerce, and must submit an annual budget to the Secretary – and made public - with an explanation of any expenditure in excess of $5 million. The Corporation must submit an annual report to Congress detailing its activities, accomplishments, measurements of progress, reasons for any failures, and recommendations.

- Section 5: Matching Public and Private Funding – Establishes a Travel Promotion Fund, initially financed by a $10 million loan from the U.S. Treasury to be repaid by non-Federal sources before October 1, 2012. Subsequently, the Corporation will be funded by private industry contributions matched by public funding generated by user fees paid by travelers from Visa Waiver countries. Industry contributions may come from in-kind contributions, though at least 20 percent of the private-sector contributions must be in cash. Public funding (user fees) will not exceed $100 million per year.

- Section 6: Travel Promotion Fund Fees – Public contributions to the Fund will be financed by a $10 fee paid by overseas travelers from Visa Waiver countries (collected via the Electronic Travel Authorization system).

- Section 7: Investment of Funds – The Corporation may invest funds only in obligations of the United States or any agency thereof.

- Section 8: Amendments to the International Travel Act of 1961 – Improves the interaction between various government agencies and the travel industry via the Corporation for Travel Promotion. Calls on the Tourism Policy Council to meet twice annually and to provide the Corporation with timely information regarding international traveler processing so that it may better conduct its communication activities. Repeals authorities relating to the United States Travel and Tourism Advisory Board.