



THE SECRETARY OF COMMERCE
Washington, D.C. 20230

July 20, 2006

The Honorable Sam Farr
U.S. House of Representatives
Washington, DC 20515

Dear Representative Farr:

It was a pleasure meeting with you to discuss travel and tourism. I understand how important this issue is to you and your constituents and thank you for sharing your concerns. I am pleased to enclose my response to the set of questions that were provided to me at the meeting.

The travel and tourism industry is a major contributor to our Nation's Gross Domestic Product (GDP). Travel and tourism represents 2.6 percent of GDP, generating more than \$1 trillion of output, and accounting for over 8 million jobs in 2005 alone. We will continue to work with Congress and the private sector to help create economic opportunity and the conditions that will allow American businesses to thrive.

I look forward to our future discussions. If I may be of any assistance, please contact me or Nat Wienecke, Acting Assistant Secretary for Legislative and Intergovernmental Affairs, at (202) 482-3663.

Sincerely,

A handwritten signature in black ink, appearing to read "Carlos M. Gutierrez".

Carlos M. Gutierrez

Enclosure

**Responses to Questions from
Congressmen Mark Foley (R-FL) and Sam Farr (D-CA)**

Question 1: As Co-chairs of the Congressional Travel and Tourism Caucus, we understand the challenges of getting people to pay attention to this issue. But we also understand the scope and importance of this industry and the need to increase awareness of its benefits to our economy. What can the Department of Commerce do to be more helpful to the industry?

Answer: At the first meeting of the U.S. Travel and Tourism Advisory Board in New Orleans, I called upon the Board to create a national strategy to promote tourism. Since then, I have met with board members regularly. The Board and I discussed their initial strategy when we last met July 13.

I believe the appropriate role for government is to create a positive business climate by removing barriers within our own government and working with other governments to remove market impediments and build bridges to new markets. For example, the Department has been working with the Departments of State and Homeland Security on visa policy. Since 2001, the United States has entered into FTAs with 9 countries, and has negotiated or is negotiating FTAs with another 12 countries. Our goal is to develop a comprehensive travel and tourism policy framework to foster the development of the finest travel and tourism industry in the world.

Question 2: In 1995, the White House hosted a conference on travel and tourism. Could you ask the President to host a new conference?

Answer: The President is fully committed to the travel and tourism industry and the industry's views have his attention. As Secretary of Commerce, I am responsible for communicating recommendations from both the U.S. Travel and Tourism Advisory Board and the Tourism Policy Council to the President and senior White House staff, in addition to providing my own policy advice. The 1995 White House Conference – and subsequent executive and legislative actions – created the appropriate framework for federal government and private sector action. Our efforts going forward are best focused on the advancement of a national strategy, being framed by the U.S. Travel and Tourism Advisory Board.

Question 3: Since the Western Hemisphere Travel Initiative (WHTI) will seriously affect the travel and tourism industry, have there been any discussions between DHS, State and Commerce on how this program will impact the industry?

Answer: The Department is working closely with the Departments of Homeland Security (DHS) and State on the implementation of the WHTI. In addition to staff discussions, I have met with senior representatives of DHS and State to discuss commercial concerns, including those of the travel and tourism industry. Commerce also serves on the steering committee for the Security and Prosperity Partnership (SPP), developing documentation standards. The SPP is a trilateral effort to increase security and enhance prosperity among the United States, Canada and Mexico through greater cooperation and information sharing. Through the SPP, the Department is ensuring that the interests of the travel and tourism sector, and other industry sectors, are included in policy deliberations.

Question 4: Are the same standards and procedures for WHTI being applied to both the northern and southern borders?

Answer: Yes, it is envisioned that a functionally-unified system will be applied on both the northern and southern land borders.

Question 5: There is a program at U.S. airports to improve service during screening for international visitors. How is that program going, and what more can be done?

Answer: Under the Rice-Chertoff Initiative, there is a "Model Ports of Entry" program designed to improve the screening procedures for international visitors to the United States. The program is under development. Houston Intercontinental Airport and Dulles International Airport have been selected as "Model Ports of Entry." The goal of this initiative is to ensure a more welcoming environment for foreign visitors through improved entry procedures and passenger assistance measures.

Question 6: All of our major international competitors for tourism market themselves heavily. Congress has appropriated a modest amount for a promotion campaign that seems to have produced positive results. Do you plan to request further funding for this program in your FY08 budget? Isn't the return on investment here worth it?

Answer: In fact, U.S. tourism marketing exceeds that of many competitor countries. The difference is that in the United States, tourism promotion is largely done by the private sector and state and local governments. Given this strong leadership role we believe that federal resources are better focused on a policy development and coordination role. It is my understanding that this is a view shared by the U.S. Travel and Tourism Advisory Board. The results of our marketing program can serve as a model for private sector marketing strategies.

Question 7: One of the top priorities of the White House Conference on Travel and Tourism in 1995 was the call for Travel and Tourism Satellite Accounts (TTSA). For many years, I have carried this program as an individual earmark. When will the Department of Commerce start including this inexpensive program in its annual budget request?

Answer: We appreciate the funding that has been provided for the development of our National Travel and Tourism Satellite Accounts (TTSA). The TTSA allow the Bureau of Economic Analysis to quantify the contribution of travel and tourism to the national economy, and to quantify employment attributable to travel and tourism demand. The U.S. TTSA serve as a model for other countries. In a time of challenging budget priorities, your support for the TTSA program is appreciated.

Question 8: The travel and tourism industry has proposed the creation of a Presidential Advisory Council on Travel and Tourism. Do you support this idea? Wouldn't this help to make tourism a national priority?

Answer: At present, the U.S. Travel and Tourism Advisory Board is providing the Department of Commerce with the collective insight and experience of the travel and tourism industry. In my view, advisory councils play a very effective role in shaping government policy-making when aligned with the Cabinet agency that has direct responsibilities.