

## Travel Promotion Act

# New Travel Legislation Promises to Boost Tourism to US

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**M**ANY OF US HAVE RECEIVED EMAILS FROM ROGER DOW, PRESIDENT AND CEO OF US TRAVEL ASSOCIATION, ABOUT THE TRAVEL PROMOTION ACT (TPA) CURRENTLY BEFORE CONGRESS AND HOW IT WILL BENEFIT THIS COUNTRY. After past attempts to initiate a government-funded tourism program have failed, it looks like we finally have something that will pass and reverse the United States' steady decline in international market share.

### What is the TPA?

Kristy Chandler, director, communications for US Travel Association, explained that the Travel Promotion Act will create a national, non-profit, public-private Corporation for Travel Promotion that will promote the United States as a premier destination and explain changing security policies to foreign visitors. The Corporation will be funded by private sector contributions and a \$10 fee on Visa Waiver Program travelers to the United States.

For every dollar the private sector contributes, one dollar will be added from the government fund. In other words, if the private sector's total contribution is valued at \$20 million, the government fund will also contribute \$20 million, for a total of \$40 million. The maximum amount the government can contribute is \$100 million. These contributions will be entirely voluntary, and it is expected that the program will be structured so the entities that contribute the most will see the greatest benefit. The private contributions must be 20 percent cash; the remaining 80 percent can be in-kind.

### Why do we need the TPA?

Nearly every developed nation promotes itself as a travel destination. In fact, many countries spend tens of millions of dollars on such promotion as a way to strengthen their economies and public diplomacy efforts. These countries are competing with America for overseas travelers, yet the US spends nothing from the public sector to keep up.

Since September 11, 2001, the US has been unable to regain its share of the overseas travel market. The statistics are staggering. According to US Travel Association, the US welcomed 634,000 fewer overseas travelers in 2008 than in 2000, despite an increase of 56 million more long-haul travelers around the world.

While Canadian and Mexican travel to the US has increased in recent years, the decline in travelers from overseas countries has cost the United States \$182 billion in spending, \$27 billion in tax revenue and 245,000 American jobs. Oxford Economics projects that an effective travel promotion program will drive \$4 billion in additional spending each year, \$321 million in new

tax revenue each year and 40,000 new jobs.

Rafael Villanueva, director of international sales for the Las Vegas Convention and Visitors Authority, explains, "The first step to creating marketing campaigns and programs that will enhance travel to the United States is to find ways to pay for it. It will give the US the opportunity to enhance the efforts already made by organizations like ours and drive travel to the entire country."

George Fertitta, CEO of NYC & Company added, "In recent years, the global perception of the US has fallen precipitously, and we have not had a structure or organization in place to help address the problem. The TPA will allow the country to aggressively promote itself and change these perceptions. The tourism industry is a vital revenue generator — one that has not been maximized — and the TPA will help generate billions in job opportunities, visitor spending and overall economic impact. In addition, the Travel Promotion Act will also indirectly help bring attention to critical tourism issues such as air-traffic congestion, flight delays and the port of entry process."

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So why should the shopping center industry care? Because shopping and dining are the international visitor's top two activities, and much of that money is spent in our centers. The average overseas visitor spends \$4,500 per visit, much more than the domestic visitor, and their trips are longer. They stimulate economic growth and generate new tax revenues in every state without placing a burden on local services.

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Then there is the perception that the US does not want visitors, and we are not doing much to communicate to the international visitor that we welcome them. The increased security measures at our airports post 9/11 are perceived to be much more intrusive than they need to be.

### What the Industry is Doing

Dow points out, "The bill has had overwhelming support from both political parties. Now we need our champions to push it across the finish line. Members of the travel community from across the country need to tell their congressional representatives to pass the Travel Promotion Act now."

Villanueva said his CVA has been involved in all aspects, from working with their congressional delegation and providing them the information needed, to championing the bill, to keeping their stakeholders informed of the benefits. He recommends that all other DMOs do the same.

NYC & Company's Fertitta recommends that everyone continue to work with local officials and make them aware of the tremendous economic benefits that will result from increased tourism and visitation to the US.

This past September Rosemary McCormick, president of Shop America Alliance, joined more than 300 delegates from nearly 40 states for a one-day gathering in Washington, DC, to advocate on behalf of the travel industry during the 4th Annual Travel Leadership Summit.

McCormick said, "I was invited to participate by colleagues from the US Travel Association and I went to support the California-Florida event, as they are the top tourism states and great Shop America partners. In addition, I met with my elected officials from Missouri, where I live and vote. Our small group from Missouri included the state tourism director, executives from Maritz, the nation's leading incentive travel company, and Shop America Alliance. We met with five of our congresspersons and talked about the importance of the Travel Promotion Act and why travel matters to our businesses and economy. They all agreed to sign on and support the Act! It was very rewarding to see the results we can help achieve when we all work together."

### What is the Latest?

As of this writing, both the US Senate and the House of Representatives have passed the TPA in this session of Congress with strong bipartisan support. Congressional leadership is currently working through procedural hurdles that require the legislation to be passed again by the House on a different vehicle and then sent back to the Senate for final passage. The majority leaders from

both chambers, as well as the bill's sponsors remain committed to getting the Act to the President for signature before the end of 2009.

### What can we do now?

Go to [PowerofTravel.org](http://PowerofTravel.org), a comprehensive website created by the US Travel Association for the American travel community. Here you will find research, grassroots mobilization and media resources that show the importance of travel and tourism to the economy, the people of the US and to your own area. You can sign up to get involved in a grassroots campaign, reach out to your elected officials and make a difference that will positively impact your own bottom line.

It is estimated that a well executed travel promotion campaign would yield a 20:1 ROI.

Is this possible? According to an article in Hotel & Motel Management, Australia measured a \$64 ROI for every dollar spent, the UK's ROI was \$47 and Canada generated \$11 for every dollar spent. ■

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*CJF Marketing International offers a range of services for creating and implementing strategic tourism, economic development and marketing programs for shopping centers, urban entertainment projects, downtown retail districts, communities and commercial properties globally. The firm also offers educational programs and seminars for corporate meeting planners, shopping center developers, communities and re-development agencies. Feimster can be reached at 732/249-6080.*

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